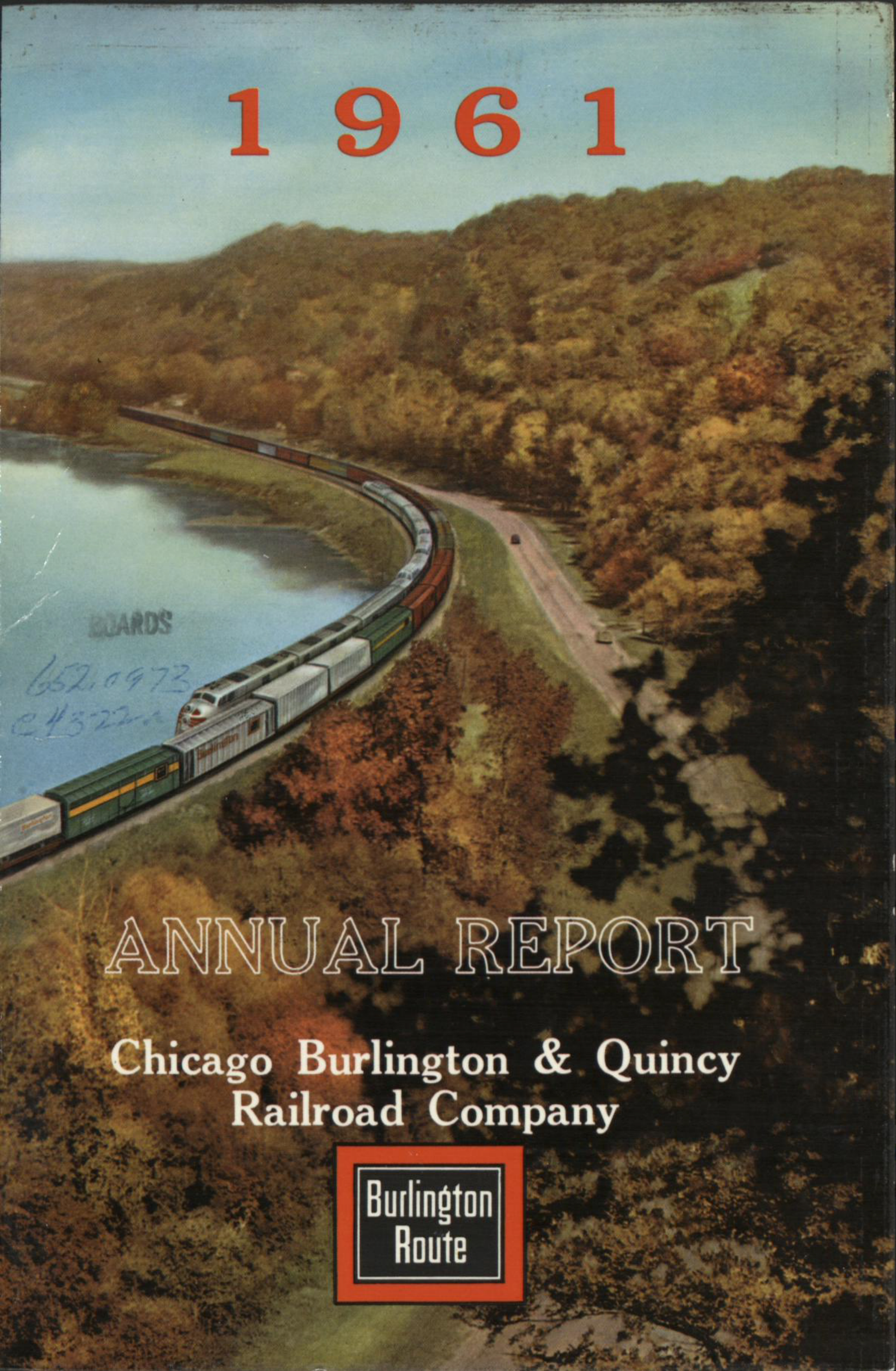


1961

ANNUAL REPORT

Chicago Burlington & Quincy Railroad Company

Burlington Route

BOARDS
652.0973
C4322

TO OUR PATRONS—

Constancy of purpose is one secret of success. In 1961 the Burlington was privileged to serve many shippers and travelers—largely due to our constant endeavor to do a job well. We pledge to continue providing dependable, safe, and efficient service that will merit your confidence and patronage.

H. C. MURPHY
President

COVER PICTURE—

Modern freight and Vista-Dome-equipped Zephyr trains speed along Burlington's scenic upper Mississippi River line on the 76th Anniversary of this vital rail link between Chicago and the Twin Cities.

652.0973
C4322r

One Hundred and Eighth

ANNUAL REPORT

of the

BOARD OF DIRECTORS

of the

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

For the Year Ended
December 31, 1961

Burlington
Route

Chicago, Burlington & Quincy Railroad Company

DIRECTORS

JOHN M. BUDD *President, Great Northern Railway Company*	St. Paul, Minn.
KENNETH F. BURGESS *Partner, Sidley, Austin, Burgess & Smith*	Chicago, Ill.
GEORGE M. FOSTER *Chairman of the Board, John Morrell & Company*	Ottumwa, Ia.
J. C. JAMES *Retired Executive Vice President and General Counsel, Chicago, Burlington & Quincy Railroad Company*	Chicago, Ill.
ROBERT S. MACFARLANE *President, Northern Pacific Railway Company*	St. Paul, Minn.
ELLSWORTH MOSER *Retired Chairman of the Board, United States National Bank of Omaha*	Omaha, Nebr.
H. C. MURPHY *President, Chicago, Burlington & Quincy Railroad Company*	Chicago, Ill.
CLARENCE B. RANDALL *Director, Inland Steel Company*	Chicago, Ill.
R. DOUGLAS STUART *Chairman of the Board, The Quaker Oats Company*	Chicago, Ill

EXECUTIVE COMMITTEE

H. C. MURPHY...*Chairman*

JOHN M. BUDD
KENNETH F. BURGESS
GEORGE M. FOSTER
J. C. JAMES
ROBERT S. MACFARLANE
R. DOUGLAS STUART

OFFICERS

H. C. MURPHY	*President*	Chicago
F. L. KARTHEISER	*Vice President-Executive Department*	Chicago
ELDON MARTIN	*Vice President and General Counsel*	Chicago
GUY R. GLOVER	*Vice President-Traffic Department*	Chicago
E. L. POTARF	*Vice President-Operating Department*	Chicago
RALPH C. SMITH	*Comptroller*	Chicago
J. J. ALMS	*Executive Assistant to the President*	Chicago
HOLLY STOVER	*Executive Assistant to the President*	Chicago
W. K. BUSH	*Treasurer and Assistant Secretary*	Chicago
A. D. McLANE	*Secretary, Assistant Treasurer and Transfer Agent*	Chicago
E. J. BROWN	*Chief Engineer*	Chicago
H. V. SCHILTZ	*Director of Purchases*	Chicago
JOHN E. ADAMS E. V. FINK	*Fiscal Agents*	39 Broadway, New York
GERARD MONTGOMERY CLARA M. BYRNES	*Transfer Agents*	39 Broadway, New York

The above were Directors and Officers as of December 31, 1961.

PRINCIPAL OFFICE OF THE COMPANY

BURLINGTON BUILDING.............547 W. Jackson Blvd., Chicago 6, Ill.

HIGHLIGHTS OF OPERATIONS

	1961	1960	Increase or Decrease	(I) (D)
Operating Revenues (Page 29)	$254,160,812	$251,135,890	$ 3,024,922	(I)
Operating Expenses (Page 29)	$201,902,807	$203,951,532	$ 2,048,725	(D)
Operating Ratio (Page 29)	79.44	81.21	1.77	(D)
Available for Fixed Charges	$ 22,071,228	$ 20,105,513	$ 1,965,715	(I)
Fixed Charges (Page 29)	$ 7,662,562	$ 7,612,375	$ 50,187	(I)
Times Fixed Charges Earned	2.88	2.64	.24	(I)
Total Taxes (Page 23)	$ 27,159,603	$ 24,410,941	$ 2,748,662	(I)
Net Income	$ 14,408,666	$ 12,493,138	$ 1,915,528	(I)
Dividends Paid	$ 12,812,902	$ 12,812,902		
Averages per Share of Stock:				
Taxes	$ 15.90	$ 14.29	$ 1.61	(I)
Net Income	$ 8.43	$ 7.31	$ 1.12	(I)
Dividends Paid	$ 7.50	$ 7.50		
Net Investment	$748,563,970	$757,114,147	$ 8,550,177	(D)
Rate of Return on Net Investment	2.53%	2.20%	.33%	(I)
Average Number of Employees	22,216	22,793	577	(D)
Total Wages	$131,678,740	$134,222,007	$ 2,543,267	(D)
Revenue Ton Miles	15,729,303,978	15,256,220,477	473,083,501	(I)
Gross Ton Miles per freight train hour	69,175	64,961	4,214	(I)
Revenue Passenger Miles	855,285,275	874,278,825	18,993,550	(D)
Miles of Road Operated	8,575.31	8,648.31	73.00	(D)
Total Outstanding Funded Debt including Equipment Obligations (Page 36)	$220,743,480	$220,705,467	$ 38,013	(I)

REPORT

for the Year Ended December 31, 1961

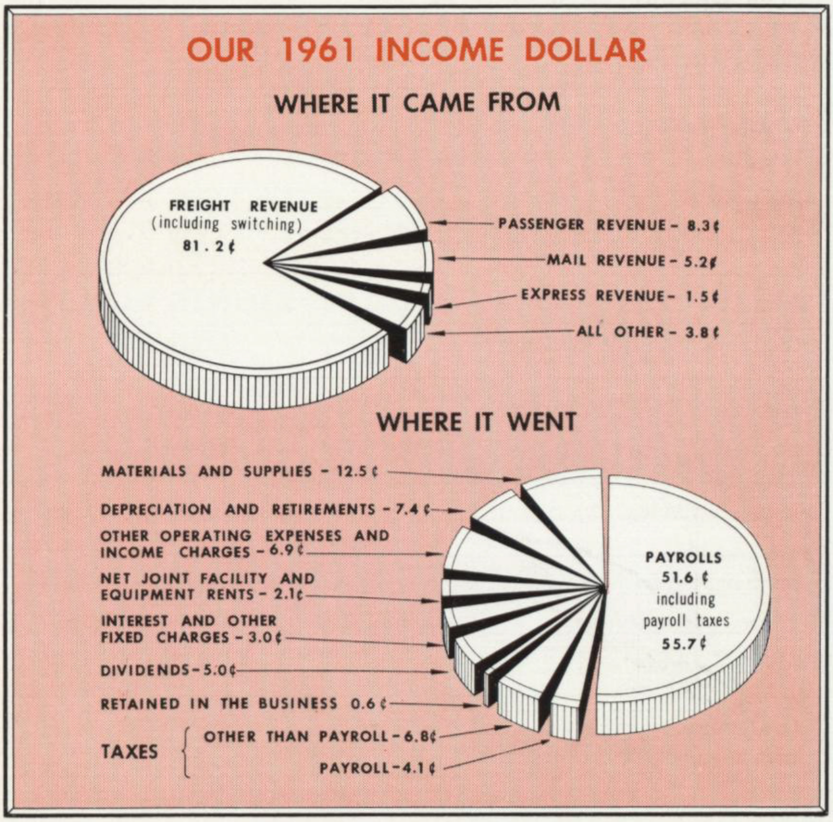
Results of operation during 1961 were encouraging. Freight revenues and passenger train revenues were higher, resulting in an increase of more than $3 million in gross revenues compared with 1960.

Net railway operating income increased $2.3 million compared with the previous year, due largely to increase in revenues and firm control of expenses.

Net income was $14,408,666, an increase of $1,915,528 or 15.33 per cent over 1960.

Operating expenses totaled $201,902,807, a decrease of $2,048,725 or 1.00 per cent under last year.

Railway taxes recorded in the income account totaled $27,930,021, an increase of $2,751,949 or 10.93 per cent as compared with 1960.



OUR 1961 INCOME DOLLAR

WHERE IT CAME FROM

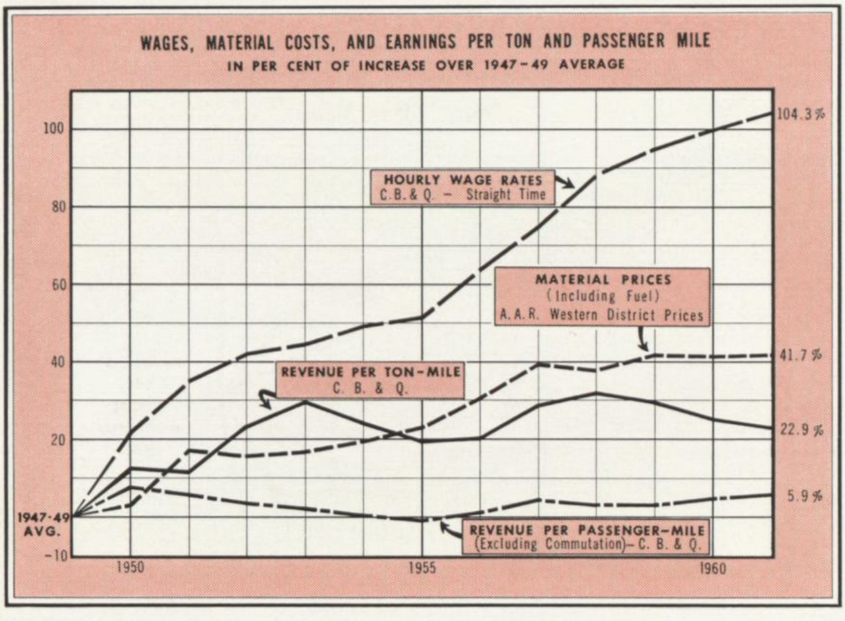
WHERE IT WENT

During the year the Company improved its property by gross expenditures chargeable to capital for equipment and roadway aggregating $20,657,471. These expenditures during the past ten years amount to $319,899,793.

Capital Expenditures by Years 1952-1961, Inclusive

	Gross		Retirements		Net	
	Road and General	Equipment	Road and General	Equipment	Road and General	Equipment
1952	$ 18,567,860	$ 21,193,836	$ 3,933,614	$ 7,049,231	$ 14,634,246	$ 14,144,605
1953	11,720,397	33,730,890	4,472,896	9,387,049	7,247,501	24,343,841
1954	10,789,572	16,513,268	4,468,187	10,119,340	6,321,385	6,393,928
1955	5,390,690	19,825,370	6,466,453	6,502,707	Cr. 1,075,763	13,322,663
1956	16,466,228	14,871,156	7,077,988	3,469,423	9,388,240	11,401,733
1957	23,942,890	22,474,055	5,456,775	6,680,908	18,486,115	15,793,147
1958	8,232,334	21,196,344	6,165,355	3,078,413	2,066,979	18,117,931
1959	9,078,179	18,281,592	5,517,683	3,293,847	3,560,496	14,987,745
1960	13,610,304	13,357,357	5,304,613	10,696,104	8,305,691	2,661,253
1961	2,980,270	17,677,201	6,686,301	13,933,428	Cr. 3,706,031	3,743,773
Total	$120,778,724	$199,121,069	$ 55,549,865	$ 74,210,450	$ 65,228,859	$124,910,619

The expenditures provided new and improved equipment and road facilities with which to give faster and more efficient service. Notwithstanding these expenditures, wage and material costs have continued their upward trend since 1947-49 at a much greater pace than the relatively small increase in earnings per ton mile and per passenger mile.



FREIGHT TRAFFIC

Intense competition with other modes of transportation requires that we be alert to every opportunity to improve service along with realistic pricing. We will continue, by means of intensive sales effort, new concepts of rate making, and new and specialized rolling stock, to maintain Burlington's progressive reputation.

Despite the mild recession which continued into early 1961, carloadings for the first six months were healthy, and revenues gained considerably over the same period of 1960. Grain, grain products, paper, and sugar shipments contributed to these results.

A smaller wheat crop, together with the availability of increased grain storage space in the producing areas, resulted in less than peak loadings at harvest time. Nevertheless, carloadings of grain for the year were 23 per cent higher than for 1960. Other commodities to show increases were grain products 5.2 per cent, lumber 2.7 per cent, dairy and poultry products 11.2 per cent, iron and steel 2.7 per cent, paper products 10.6 per cent, sugar 3.7 per cent, canned goods 2.7 per cent, and forwarder freight 1.3 per cent.

Construction materials, primarily sand, gravel, and cement, were responsible for our major carloading decreases, although coal, livestock, meat, and fruits and vegetables shipments were less than during the previous year.

Adjusted freight revenue for 1961 was $205,020,997 compared with $202,493,479 in 1960, an increase of 1.25 per cent.

933
933
933
905

100 car dried sugar beet pulp special enroute on the Burlington.

Carloads of revenue freight handled in 1961 totaled 1,312,590, a decrease of 793 cars or 0.06 per cent under 1960.

Revenue tons carried in 1961 were 48,328,695, an increase of 1,055,832 or 2.23 per cent. Freight train miles decreased 2.46 per cent.

The average revenue per ton mile decreased from 1.327 cents in 1960 to 1.303 cents in 1961 or 1.81 per cent.

Average load per car of carload freight was 37 tons as compared with 36 tons in 1960, an increase of 2.78 per cent. The average load in 1940 was 31 tons.

Source of Freight Revenue

	1961 Revenue*	Per Cent of Total	Per Cent Change from 1960	
			Increase	Decrease
Products of Agriculture	$ 51,438,797	23.33	7.19	
Animals and Products	16,199,628	7.35		5.54
Products of Mines	31,059,474	14.09		4.93
Products of Forests	15,428,099	7.00	7.07	
Manufactures and Miscellaneous	91,294,868	41.41	2.06	
Forwarder Traffic	9,761,691	4.43		.78
Less-Than-Carload	5,275,370	2.39		6.66
Total	$220,457,927	100.00	1.52	

*Gross Freight Revenue, stated without adjustments for absorptions or corrections which reduced total freight revenue to $205,020,997.

FREIGHT RATES

Freight Rates continue to be a subject of study arising from the competition of other forms of transportation, including private trucking. Adjustments are being made where it appears to be in the best interest of our patrons and the railroad.

While some commodities required reductions in rates based on standard minimum weights, incentive reductions for heavier loads have been found particularly useful in devising competitively compelled adjustments. Rates receiving attention include those on iron and steel articles, canned goods, lubricating oil, and potatoes.

Establishment of truck loading facilities at cement mills, despite rail rate reductions, has resulted in considerable trucking of bulk cement. Convenience of truck service on short hauls and smaller quantities carried are factors in the truckers' favor, although a free unloading service at destination is an even more decisive inducement. We are actively studying this problem.

FREIGHT RATES (continued)

Rates on feed grains were reduced from western Iowa, Missouri, and Missouri River cities to Colorado, Wyoming, and western Nebraska feeding areas. Export wheat rates were reduced from western Nebraska, Colorado, and eastern Wyoming to Gulf ports to discourage trucking to the Missouri River and barge shipment beyond. We are hopeful these adjustments will curtail the barging from Missouri River origins and the two-way trucking between the River and states to the west. These commodities are important sources of Burlington freight revenue.

Barging of grain and flour continues to pose many problems not only for the carriers, but for certain segments of the grain and milling industry. Significant in this respect is a recent court action requiring application of rail-proportional rates on barged-in-grain, and establishment of rail rates from barge ports related to rates maintained from recognized proportional rate points. Such advantages favor barge lines in the transportation of grain.

Recently the Commission, after hearing, expressed its approval of a multiple-car rate on corn and milo from Missouri River cities to a distillery at Lawrenceburg, Indiana. The rate applies on cars loaded to at least 110,000 pounds per car in lots of 20 cars or more. This adjustment was prompted by barge competition.

TRAILER-ON-FLAT-CAR and MULTI-LEVEL RACK CAR SERVICE

The number of trailers handled on flat cars, 54,393, was slightly below the peak level of 56,228 handled in 1960.

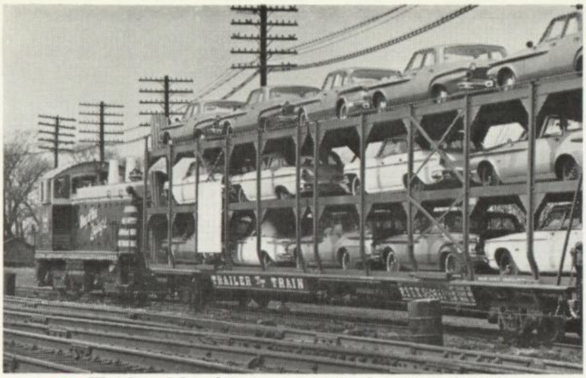
Plan II movements, involving a complete railroad service, continued to increase.

Plan IV movements held about even. Plan I loads, handled for Burlington Truck Lines, declined slightly.

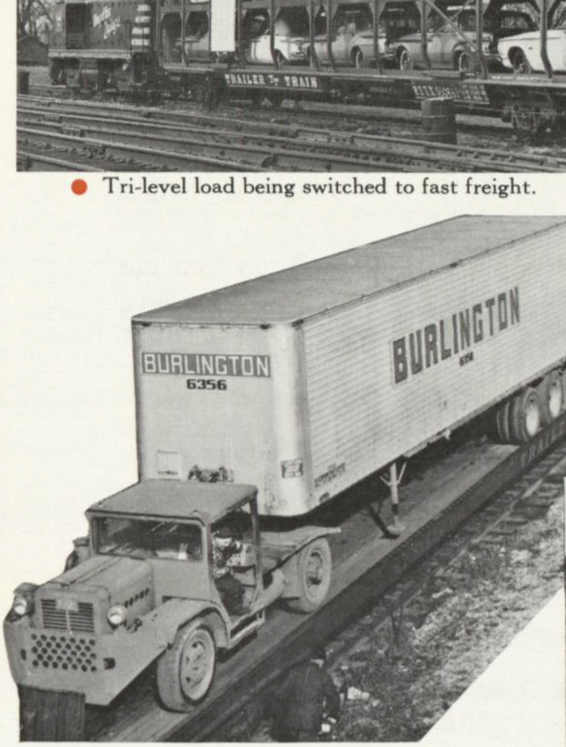
A heavy demand exists for refrigerated trailers. This demand is expected to continue and new equipment is contemplated to meet the needs of our patrons.

The movement of new automobiles on multi-level rack cars has been particularly encouraging ever since the 1962 models were introduced in the early fall of 1961. Additional rack cars are scheduled to be added to the railroad fleet. We are exploring the possibility of using these cars, or similar cars, to handle tractors and other like commodities.

MULTI-USE—Piggyback—Flat Cars


TRAILER TRAIN

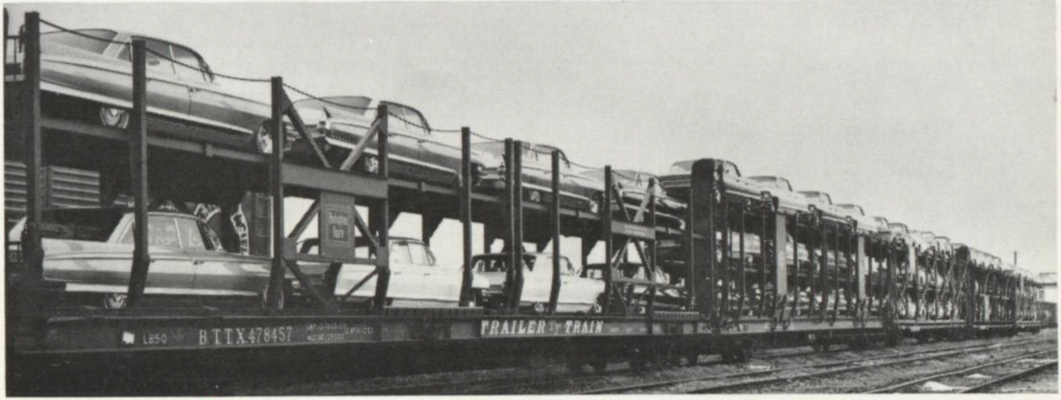
● Tri-level load being switched to fast freight.


BURLINGTON
6356
BURLINGTON
Burlington
6716

● Piggyback loading . . . Ramps at 43 cities.

TRAILER TRAIN

● Hi-way tankers moved on low-level piggyback flat cars.


B.T.T.X 478457
TRAILER TRAIN

● Bi-level and tri-level auto rack cars enroute on the Burlington.

AGRICULTURE AND LIVESTOCK

1961 was a good year for agriculture in the states served by the Burlington Lines. Thirty-two per cent more soybeans were harvested, dried bean production increased 22 per cent, and potatoes 11 per cent. Wheat production dropped 8 per cent, corn 6 per cent, and sugar beets 3 per cent, the latter due in part to unseasonably wet weather preventing harvest of some beets in the Hardin, Montana factory district. Total tonnage of all farm crops produced in Burlington states was down 5 per cent from the unusually good crop of 1960. In 1961, Burlington states produced the following percentages of the nation's major crops: corn 68 per cent, wheat 51 per cent, soybeans 58 per cent, hay 47 per cent, sorghum grain 41 per cent, sugar beets 31 per cent, dried beans 25 per cent, and potatoes 16 per cent. Cash received by farmers from farm marketings averaged 3.66 per cent higher than in 1960.

While grains in storage in states served by Burlington declined 3.08 per cent compared with the previous year, there continues to be a vast quantity in storage that eventually will require transportation. Wheat storage was up .23 per cent, corn was off 3.95 per cent, and sorghum grains decreased 3.22 per cent. All feed grains (corn, sorghum, barley, and oats) declined 3.96 per cent. On January 1, 1962, there were 323,751,000 bushels of soybeans stored, which is 58.15 per cent greater than on the same date in 1961. Of this amount, approximately 50 per cent is stored on farms and the remainder in mills and elevators.

The outlook is favorable for the 1962 winter wheat crop. Moisture supplies were good at seeding time last fall and the young wheat is rooted well and in excellent condition. In Burlington's largest producing state of Nebraska, the Department of Agriculture on January 1 predicted 1962 production of 85 million bushels, up 9 per cent from last year. The United States Department of Agriculture estimates wheat production in all Burlington states in 1962 at 93 per cent of the 1961 harvest, reflecting to some extent reduced acreage contemplated by the government's wheat control program.

Livestock loaded from trailer
to stock car.

Contoured terraced field
along the Burlington.

Soil moisture is above normal in most of the farm and ranch areas we serve and the snow pack is good to excellent on the water sheds of Colorado, Wyoming and Montana, which supply water for storage and irrigation in our territory. During the year, the Reclamation Service let the first prime contract for Yellowtail Dam, a multipurpose power-irrigation supply structure located on the Big Horn River west of Hardin, Montana. The Project, estimated to cost $109,000,000, is designed to irrigate 43,000 acres of dry land served by Burlington. Irrigation from wells in Nebraska continued to expand, but at a slower pace than in previous years.

Despite severe winter weather, livestock is generally in good condition. The 1962 spring pig crop is estimated to be 4 per cent higher than 1961. There are 2.7 million head of sheep and lambs on feed in Burlington states, which is about average, and 1 per cent more cattle and calves compared with 1961; however, this is 21 per cent above the 1956-1960 five-year average.

INDUSTRIAL DEVELOPMENT (see pages 12 and 13)

The year was most productive for the location of new industrial plants along our railroad.

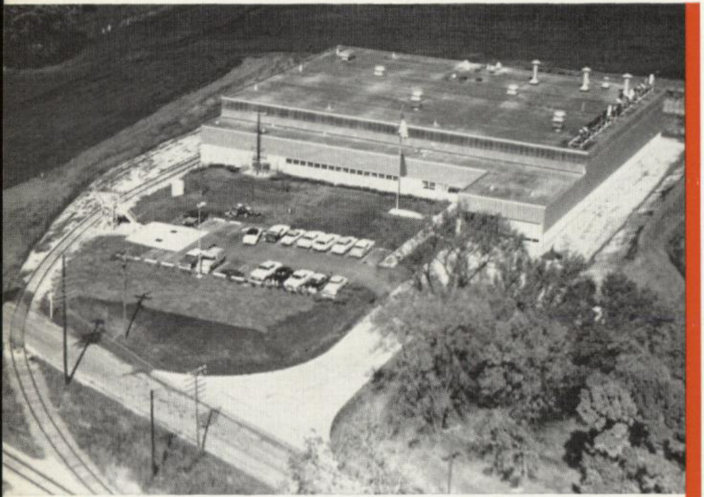
There were 634 new industrial leases issued during the year on land owned by the railroad. Twelve industries purchased Burlington-owned land on which to erect new plants and ten new industries located on other lands available to our service. Thirty-five new industrial tracks or track extensions were built and ten temporary contractors' tracks were installed.

Industrial activity of recent years proved valuable in 1961, especially during the first half, when greatly expanded grain storage facilities along our line furnished above-average carloadings at a time when other roads were experiencing decreased activity.

Our Industrial Department has continued to cooperate actively with Chambers of Commerce, civic groups, utilities, and others interested in the development of new industries, and expansion of existing ones, in areas served by the Burlington.

In order to meet increasing demands for choice industrial sites along the railroad, the following property was acquired for development purposes: 35 acres at Canton, Illinois; 22 acres at Des Moines, Iowa; 21 acres at St. Joseph, Missouri; 11 acres at Holdrege, Nebraska, and 23 acres at Casper, Wyoming.

Burlington's Industrial Development



● Continental Can Company's new manufacturing plant, St. Joseph, Missouri.

● Container Division Plant of International Paper Co., St. Louis, Missouri.

● Carpenter Paper Company's 114,000 square foot warehouse, Denver, Colorado.

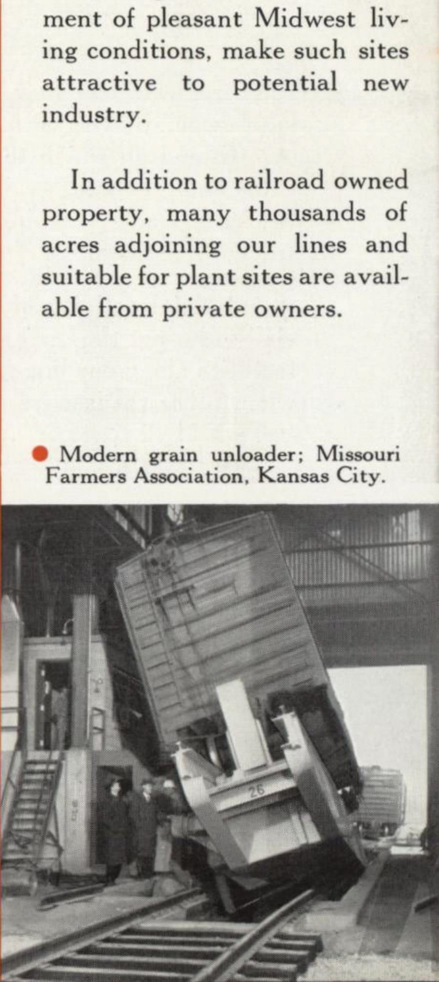
CARPENTER PAPER COMPANY
CARPENTER PAPER COMPANY

An aggressive plant development program continued in 1961 and resulted in the location of many new industries along the Burlington. Traffic from these plants will benefit the railroad, and their payrolls and taxes will strengthen the economies of communities in which they are located.

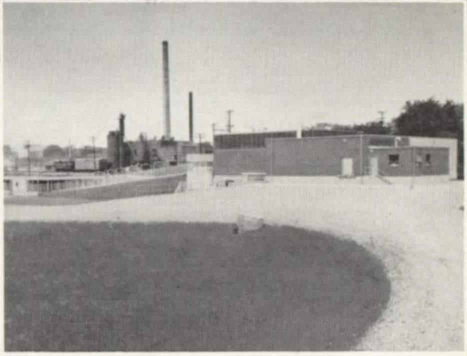
Several thousand acres of choice plant site locations are available on railroad-owned land in terminal and other cities along the Burlington. A good labor supply in these locations, coupled with the inducement of pleasant Midwest living conditions, make such sites attractive to potential new industry.

In addition to railroad owned property, many thousands of acres adjoining our lines and suitable for plant sites are available from private owners.

● Modern grain unloader; Missouri Farmers Association, Kansas City.



● Swift and Company's new meat packing plant, Rochelle, Illinois.



● New meat packing plant, Macon, Missouri.

● Gates Rubber Company's new reinforced hose factory, Galesburg, Ill.

● Nitrogen Fertilizer Plant, Consumers Co-operative Association, Hastings, Nebraska.

CB&Q
Everywhere West
Burlington Route

● Modern beet dump loader, Great Western Sugar Company.

● One of the many larger grain storage elevators located on Burlington.

Burlington
501
502

PASSENGER TRAFFIC

For the ninth consecutive year the Burlington increased its share of the western passenger market, with more than 10.11 per cent of all the railroad passenger revenues in the western district.

Three major principles underlie the Burlington's passenger operations:

1—Quality service between major population centers attracts and holds travelers.

2—Aggressive promotional activity retains existing business and creates new individual and group travel.

3—Careful management effecting cost reductions without major loss in revenues.

Total passenger revenue in 1961 was $21,211,215, a decrease of $219,471 or 1.02 per cent under 1960. Eliminating suburban revenue (multiple-ride tickets, one-way and round-trip tickets, and cash fares in Chicago-Aurora suburban territory), the decrease was $155,573 or 0.91 per cent, despite special movement of Boy Scouts to National Jamboree in 1960 which produced approximately $500,000 in revenue. Revenue from all suburban fares for 1961 was $4,215,487, a decrease of $63,898 or 1.49 per cent compared to 1960.

Passenger traffic in 1961 was handled with a decrease of 765,390 passenger train miles, or 8.20 per cent, compared with 1960. Total passenger car miles decreased 4.70 per cent.

Revenue passengers carried in 1961 decreased 1.65 per cent under 1960; corresponding passenger miles decreased 2.17 per cent. Excluding all suburban traffic the number of revenue passengers carried in 1961 decreased 3.50 per cent under 1960; corresponding passenger miles decreased 2.17 per cent.

Average revenue per passenger mile was 2.480 cents in 1961 compared with 2.451 cents in 1960.

PASSENGER FARES

Effective July 1, 1961, one-way and round-trip station-to-station coach fares were increased 5 per cent for both interstate and intrastate traffic, except fares to Pacific Northwest destinations, and intrastate in Illinois where the Illinois Commerce Commission suspended the increase, but after a hearing permitted it to become effective January 8, 1962.

Effective December 1, 1961, the round-trip coach fares to Pacific Northwest destinations likewise were increased 5 per cent.

Tariffs were filed with the Illinois Commerce Commission on December 6, 1961, to increase suburban one-way, round-trip, and all multiple-ride commutation ticket fares by 8 per cent on March 1, 1962. Hearing was held before the Commission on January 22, 1962, and favorable decision rendered permitting increase to go in effect March 1, 1962.

CREATIVE TRAFFIC

"Creative Traffic" is a Burlington expression covering a multitude of promotional activities. During 1961 student educational tours, off-season, spring, fall and winter Colorado tours, Mississippi River scenic excursions, historical tours, rail fan steam excursions, baseball and football specials, and many other special movements were highly productive. These promotional events give the Railroad opportunity to demonstrate its service to thousands of new customers including the younger generation.

VISTA-DOME DENVER ZEPHYR AND SLUMBERCOACH

The total number of through passengers carried between Chicago and Denver on the Vista-Dome Denver Zephyrs during 1961 was 118,114, an increase of 13,614 over 1960 or 13.03 per cent. The total number of revenue passengers carried on the Denver Zephyrs between all points was 253,733 passengers, an increase of 14,496 or 6.06 per cent. Slumbercoach passengers carried on the Vista-Dome Denver Zephyrs during 1961 averaged 33.9 passengers per car trip compared with 34.0 passengers in 1960.

November 8, 1961 marked the 25th anniversary of the inauguration of the Denver Zephyrs, which was commemorated with appropriate ceremonies at Chicago and Denver.

Burlington
Route

President H. C. Murphy cuts Denver Zephyr Silver Anniversary Birthday Cake.

MAIL

Revenue for transporting mail for the Post Office Department in 1961 was $13,505,520, an increase of $691,101 or 5.39 per cent compared with 1960, due to an increase in mail pay rates.

EXPRESS

Express income for 1961 was $3,827,859, an increase of $277,735 or 7.82 per cent compared with 1960.

TRAVEL PROMOTION AWARD

On November 11, the Burlington became the first railroad to win a first place award by the Midwest Travel Writers Association. The award, a plaque, was for the "Most Original Travel Promotion Idea".

UNPROFITABLE PASSENGER TRAIN SERVICE

By discontinuing unprofitable passenger trains, major savings have been made. Since these trains were lightly patronized, little revenue loss or public inconvenience was occasioned. The following trains were discontinued or merged during the year 1961, effecting an estimated annual savings of 326,540 train miles:

Trains 47 and 48 between St. Louis-Rock Island were discontinued January 15, 1961, with annual train miles saving of 189,070.

Trains 17-19 and 18-6 between Lincoln-Denver were merged the year around instead of eight months annually, with additional estimated annual train miles saving of 120,750.

Two round-trips of Saturday, Sunday and Holiday Suburban trains between Chicago-Aurora were discontinued October 29, 1961, with annual train miles saving of 16,720.

Following hearings in 1961, the Missouri Public Service Commission rendered favorable decision permitting removal, effective January 28, 1962, of trains 355-356 between Brookfield and St. Joseph, Missouri, with saving of 74,460 train miles per annum, and the Nebraska Public Service Commission authorized the discontinuance of daily except Sunday trains 15-42 and 41-16 between Lincoln, Nebraska, and St. Joseph, Missouri, effective February 25, 1962, resulting in a saving of 115,184 train miles per annum. Other lightly patronized trains are under active study for possible removal in 1962.

STEAM ENGINES PLACED ON EXHIBITION

Our Company donated steam locomotives for exhibition purposes in 1961 at Quincy, Illinois, Burlington, Iowa, and Galesburg, Illinois. Formal presentation ceremonies resulted in wide publicity in each of the cities. Locomotives are protected with appropriate fence and the communities assume the responsibility for care and upkeep. Similar presentations at other key cities are contemplated in 1962.

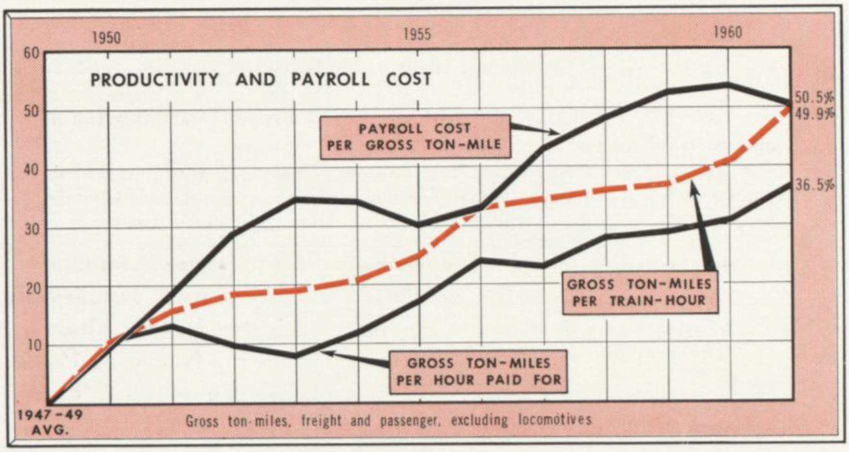
OPERATIONS

Total operating expenses decreased $2,048,725 or 1.00 per cent, while operating revenues increased $3,024,922 or 1.21 per cent.

Maintenance of Way and Structures expenses, excluding depreciation and retirements, increased $347,398 or 1.20 per cent. Some of the important maintenance work performed during the year was:

250,660 new creosoted cross ties placed in track.
415,292 cubic yards of ballast applied.
14.89 miles of track relaid with new 136-pound T.R. rail.
5.94 miles of track relaid with new 129-pound T.R. rail.
20.35 miles of track relaid with new 112-pound T.R. rail.
39.59 miles of track relaid with secondhand rail.

Maintenance of Equipment expenses, excluding depreciation and retirements, decreased $1,577,302 or 4.73 per cent. Equipment was currently maintained and 968 freight cars were given heavy repairs.



Transportation expenses decreased $1,737,848 or 1.68 per cent. Freight train miles decreased 302.600 or 2,46 per cent. Passenger train miles decreased 765,390 or 8.20 per cent.

The operating ratio—relation of total operating expenses to operating revenues—was 79.44 as compared with 81.21 in 1960. The transportation ratio was 39.92 compared with 41.08 in 1960. Maintenance of Way and Structures was 13.85 compared with 13.57 in 1960, and Maintenance of Equipment was 17.67 compared with 18.48 in 1960.

IMPROVEMENTS

Capital Expenditures in 1961:

	Gross	Retirements	Net
Road	$ 2,980,270	$ 6,364,173	Cr. $ 3,383,903
Equipment	17,677,201	13,933,428	3,743,773
General	—	322,128	Cr. 322,128
Total	$20,657,471	$20,619,729	$ 37,742

ROAD

Major Improvements Completed During the Year:

Improvement of interchange connection with Union Pacific at Grand Island, Nebraska.

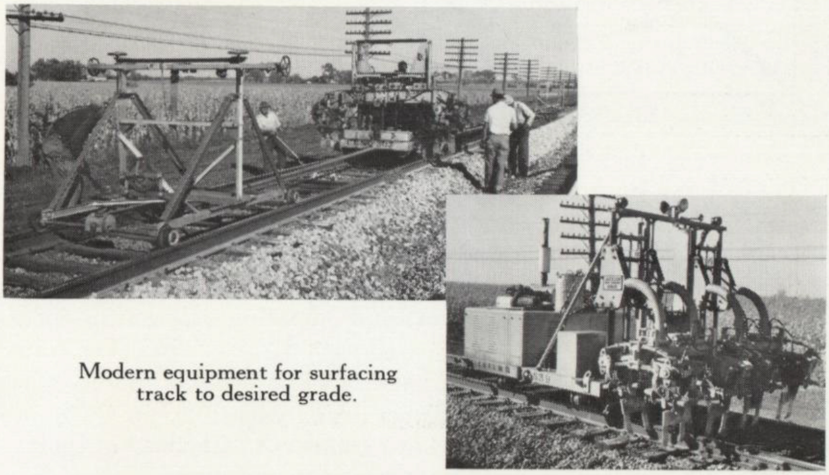
To expedite interchange of freight trains between Burlington and Union Pacific.

Replaced coal fired power plant and steam driven equipment with gas-oil fired package type boilers and electrically driven equipment at engine terminal Lincoln, Nebraska.

Complete dieselization of motive power reduced heating and power requirements at this important terminal sufficiently to permit replacement of the power plant with a comparatively small automatic heating plant, thereby achieving a substantial reduction in operating costs.

Relocated 1.4 miles of main track and other facilities at North St. Louis at the expense of the City of St. Louis in connection with construction of new levee.

The Corps of Engineers-U.S. Army are constructing a new levee along river side of Burlington's main track in the vicinity of Mileposts 6 to 8. The new and higher levee will afford better flood protection for Burlington trackage and potential industrial property in this area. Track relocation has been completed and levee construction is being progressed by the Corps of Engineers.



Modern equipment for surfacing track to desired grade.

Installation of centralized traffic control and removal of second main track from Spanish Lake to North St. Louis, Missouri.

This installation will result in substantial savings in track maintenance and eliminate the expense of three operator tricks at Baden.

Bridge and track changes at Government expense in connection with Flood Control Project for Fabius River Drainage District, north of West Quincy, Missouri.

Provides improved protection from high water in this area.

Rearrangement of yard track facilities at Hastings, Nebraska.

Congested conditions existed in these yard facilities, especially during grain harvest. The changes will permit handling more cars and result in substantial savings to the Burlington.

T.O.F.C. ramp facilities installed at Scottsbluff, South Omaha, and Gibson, Nebraska, and Edgemont, South Dakota.

These additional facilities were needed to handle this rapidly increasing class of traffic.

Joint purchase of 7.80 miles of mine spur with the Illinois Central and Missouri Pacific to serve Ziegler Coal and Coke Company, near Ziegler, Illinois.

A substantial increase in revenue will result from the establishment of this new mine layout.

Major Improvements under Construction:

Installation of new drawrest protection on Bridge 204.66 over Mississippi River at Burlington, Iowa.

The increased number and size of barges now operating on the river necessitate complete replacement with more adequate protection for this main line draw span.

Expansion of truck dock facilities at Freight House No. 9, Chicago, Illinois.

Due to increase in traffic an extension on the west end of the house is required to provide 80 additional truck spots.

Construction of one-spot car repair facilities at East St. Louis and Cicero, Illinois.

Will improve efficiency and produce substantial savings in car maintenance and switching costs.

Construction of trackage to serve Delta Coal Corporation at Vermont, Illinois.

A substantial increase in traffic will result from the opening of this mine.

Remodeling of existing Burlington mail terminal facilities and installation of conveyors and other improvements to serve the new U. S. Post Office Terminal Building at Omaha, Nebraska.

These conveyors will provide a direct connection between Burlington tracks and the mechanical mail handling system of the new Omaha Post Office, permitting more efficient mail handling.

SIGNALING

Major Items Completed During the Year:

Installation of electric lock and rearrangement of circuits to provide movements through interlocking at Earlville, Illinois, allowing interlocker to be closed on Saturdays, Sundays and Holidays.

Installation of wheel checking devices at East and West Humps at Galesburg, Illinois, and the Hump at Lincoln, Nebraska.

Installation of remote control switches, electric lock and signals at Centralia, Illinois.

Installation of dragging equipment detectors at Riverside, Aurora, and Montgomery, Illinois.

Completion of signal work in connection with line change and high level bridge at Quincy, Illinois.

Rearrangement of signal circuits to provide for movements through Princeton, Illinois, allowing closing of station on third trick.

Installation of new highway grade crossing protection at 25 crossings and modernization of 14 existing installations, which permitted closing four crossings, producing substantial savings.

Major Items Under Construction:

Converting mechanical interlocking at Girard, Illinois, to remote control interlocking.

Replacing mechanical interlocking at Sorento, Illinois, with automatic interlocking and converting manually controlled highway crossing signal to automatic.

Replacing manually controlled interlocking at Litchfield, Illinois, with automatic interlocking.

Installing searchlight signals and retiring main track derails at Fremont, Nebraska.

Rearranging signal facilities in connection with construction of overhead bridge, 46th Avenue, Denver, Colorado.

Converting mechanical interlocking at Crawford, Wisconsin, to remote control and installing centralized traffic control Ports to Prairie du Chien, Wisconsin.

EQUIPMENT PLACED IN SERVICE

Built in Company Shops:

350—29′3″ 70-ton all steel roller bearing covered hopper cars.
50—53′6″ 50-ton all steel roller bearing bulkhead flat cars.
50—60′0″ 50-ton all steel roller bearing flat cars.
50—40′6″ 50-ton all steel roller bearing "DF" box cars with cushion underframes.
250—50′6″ 70-ton all steel roller bearing "DF" type insulated box cars with cushion underframes.

Purchased New:

36—2000 h.p. GP-20 Diesel-electric road units.
50—29′6″ 70-ton roller bearing airslide covered hopper cars.
14—TTX Bi-level superstructures.
53—TTX Tri-level superstructures.

EQUIPMENT ON ORDER

To be Built in Company Shops:

300—40′6″ 50-ton all steel roller bearing box cars—plug door 14′ opening.
100—50′6″ 70-ton all steel roller bearing "DF" insulated box cars.
50—40′6″ 50-ton all steel roller bearing "DF" box cars.
50—53′6″ 70-ton all steel roller bearing bulkhead flat cars.
100—60′0″ 50-ton all steel roller bearing flat cars.
50—52′6″ 70-ton all steel roller bearing bulkhead removable roof gondola cars.
100—65′6″ 70-ton all steel roller bearing mill type gondola cars.
200—50′6″ 50-ton all steel roller bearing box cars.
100—40′6″ 40-ton steel underframe—steel frame roller bearing double deck stock cars.
100—50′6″ 70-ton all steel roller bearing mechanical refrigerator cars.

To be Purchased:

30—2250 h.p. GP-30 Diesel-electric road units.
40—29′6″ 70-ton roller bearing airslide covered hopper cars.
25—50′6″ 70-ton all steel roller bearing "DF" insulated box cars.
10—TTX Bi-level superstructures.
3—TTX Tri-level superstructures.
87—TTX Bi-level and Tri-level superstructures.

COMMUNICATIONS

During the year there were 109 new two-way radio installations: 43 on passenger locomotives, 39 on road freight locomotives, 21 on additional waycars and the balance on switch engines and portable units. New voice channels have been added as follows:

1—Chicago-Lincoln
1—Chicago-Denver
1—Chicago-Hannibal
4—Omaha-Lincoln

1961 SAFETY AWARD

The National Safety Council's Public Safety Activities Award was conferred on the Chicago, Burlington & Quincy Railroad Company during the year in recognition of "outstanding public safety program for its employees and the general public." These activities were directed toward the prevention of accidents at rail-highway crossings, and on railroad property, as well as at home and off the job. This was the sixth time in seven years the road has been so honored.

LABOR

National agreement was reached with Railroad Yardmasters of America disposing of their 1960 wage demands along the same lines as agreement reached with other crafts. The cost-of-living provisions in the former agreement were canceled after adjustments made thereunder were made a part of the basic rates. In addition to agreements along lines of other crafts, agreement provided for a wage adjustment amounting to 28 straight-time hours added to annual compensation in lieu of payments for specified holidays.

The fifteen member Presidential Railroad Commission appointed in 1960 concluded hearings on November 13, 1961. Since that time the Commission members have been meeting in executive sessions. (Report was submitted to the President February 28, 1962.)

On September 1, 1961, the eleven non-operating organizations served notice on the nation's railroads for a 25 cents an hour wage increase effective November 1, 1961, and a new rule requiring six months' advance notice before force is reduced or positions are abolished, except in emergency conditions. The Carriers served counter proposals of desire to establish a new wage scale for unskilled and newly-hired employes set at 80 per cent of existing rates with no change in rates of skilled employes. A step rate arrangement was proposed for some clerical and station employes and telegraphers. A rule was proposed by the Carriers to require not more than 24 hours' advance notice before any position was abolished or forces reduced. These notices will be handled on a concerted basis by National Conference Committees representing the Railroads and the Labor Organizations.

On October 2, 1961, the American Train Dispatchers Association served notice on the nation's railroads for an 8 per cent wage increase effective November 1, 1961.

LINE ABANDONMENTS

During the year the Interstate Commerce Commission authorized abandonment of the following branch lines:

Gladstone and Oquawka, Illinois	4.94	miles
Galena Junction and Galena, Illinois	3.58	"
Nekoma and Woodhull, Illinois	6.46	"
Clarinda and Shambaugh, Iowa	5.40	"
Indianola Junction and Indianola, Iowa	30.44	"
Riverton and Hamburg, Iowa	8.33	"
Westboro, Missouri, and Northboro, Iowa	5.40	"
Frederick and Astoria, Illinois	10.72	"
Total	75.27	"

Studies are in progress with respect to other branch lines to be considered for possible abandonment during 1962.

GENERAL

DEBT

During 1961 capital liabilities of the Company increased $38,013.

	Increase	Decrease	Net
Funded Debt	$ —	$ 4,094,000	$4,094,000 Decrease
Equipment Obligations	15,750,000	11,617,987	4,132,013 Increase
Total	$15,750,000	$15,711,987	$ 38,013 Increase

DIVIDENDS

Dividends totaling $7.50 per share were paid in 1961, the **One Hundreth Consecutive Year** in which the Company has paid a dividend.

TAXES

Taxes in 1961 increased $2,748,662 compared with 1960:

	1961	
Federal Income Taxes	$ 5,526,645	$2,255,431 Increase
Federal Railroad Retirement Taxes	6,854,618	222,940 Decrease
Federal Unemployment Taxes	3,809,574	129,308 Decrease
State and Miscellaneous Taxes	11,739,184	848,766 Increase
Income Account (Page 29)	$27,930,021	$2,751,949 Increase
Less Federal Income Taxes credited to Retained Income (Page 32)	770,418	3,287 Increase
Net Taxes	$27,159,603	$2,748,662 Increase

Net taxes in 1961 amounted to 10.69 per cent of total operating revenues, equivalent to $15.90 per share of capital stock or over twice the amount paid in dividends.

Amortization and Accelerated Depreciation

As mentioned in our Annual Report for each year beginning in 1951, our net income has been overstated because of the portion of the cost of facilities, certified by the Office of Defense Mobilization as necessary to national defense, being amortized for tax purposes over a sixty-month period under provisions of the Internal Revenue Code, while under accounting regulations of the Interstate Commerce Commission only normal straight line depreciation could be recorded in our income account.

This handling resulted in deferring some of the liability for current income taxes and overstating net income during the amortization period. The overstatement reached a peak in 1955, when the increased net income amounted to approximately $5,007,600, but has been decreasing each year since that time until in 1961 it amounted to approximately $244,346. Starting in 1962 the effect of this handling

Amortization and Accelerated Depreciation (Continued)

will be reversed and it is estimated that net income will be decreased about $1,020,000 in that year and by somewhat greater amounts in succeeding years, that is, the accumulated deferment of taxes from 1950 through 1961 of $35,868,000 in reality will be paid through increased current taxes and will decrease net income by approximately a like amount over the remaining life of the amortized property. The approximate effect has been as follows:

	1961	**1960**	**Since January 1, 1950**
Reduction in current income taxes, and increase in net income	$244,346	$1,783,293	$35,868,174
Effect per share of stock	$ .14	$ 1.04	$ 21.00

A somewhat similar situation is occurring on newly-acquired property since 1954 through use of the accelerated depreciation methods. Under I.C.C. accounting regulations only normal straight line depreciation can be recorded in the income account even though election has been made to use accelerated depreciation for tax purposes. This handling has the same effect on current income taxes and net income as mentioned under amortization, that is, income taxes are being deferred and net income increased in the earlier years while in later years the effect will be reversed and tax payments will be increased and net income reduced during the balance of the life of the particular property involved. The approximate effect has been as follows:

	1961	**1960**	**Since January 1, 1954**
Reduction in current income taxes, and increase in net income	$2,917,362	$2,284,787	$9,217,554
Effect per share of stock	$ 1.71	$ 1.34	$ 5.40

EMPLOYE BENEFITS

During 1961 there was paid to or for the benefit of Burlington employes and their families an aggregate amount of $11,453,340.

The Burlington Relief Department, an employe supported organization, paid to employes or their beneficiaries for disability and death claims $789,148, an increase of $27,208 or 3.57 per cent over 1960.

The Railroad paid Federal taxes amounting to $6,854,618 for retirement and survivor benefits under the Railroad Retirement Act of 1937. Burlington employes paid a like amount. Similar taxes in 1960 were $7,077,558, a decrease in 1961of $222,940 or 3.15 per cent, due to less employment. The rate in 1961 was 6.75 per cent but effective January 1, 1962, it was increased to 7.25 per cent. Based on the same employment as in 1961, this will increase expenses in 1962 approximately $507,750.

The Railroad paid Federal taxes amounting to $3,809,574 for unemployment, sickness and maternity benefits under the Railroad Unemployment Insurance Act. 1960 payments were $3,938,882, a decrease in 1961 of $129,308 or 3.28 per cent, which also was due to less employment. This tax is borne entirely by the railroads, that is, employes make no payment of any kind into this fund. In 1955 the tax rate was 0.50 per cent; by 1961 it had increased to 3.75 per cent; and effective January 1, 1962, the rate was further increased to 4 per cent, or eight times the rate of 1955. Based on the same employment as in 1961, the increase effective in 1962 will increase Burlington expenses in 1962 approximately $254,000.

BURLINGTON TRUCK LINES, INC.

Burlington Truck Lines, Inc., a wholly-owned subsidiary, operates over 9,000 route miles in an eight-state area providing scheduled highway service for the less truck load and truck load shipper, including interline service with other common motor carriers. Burlington Truck Lines also handles rail-billed less than carload traffic in substitute highway service for the CB&Q, performs pick-up and delivery service for less than carload shipments on behalf of the parent Railroad in 53 cities, and similar service for TOFC loads at 43 ramp locations. 10,933 truck-billed loads were moved in TOFC service. This traffic was handled under Plan I.

The highlights of Burlington Truck Lines' operations in 1961 compared with 1960 are as follows:

	1961	1960	Increase
Total Operating Revenue (See Note)	$16,493,340	$16,220,062	$273,278
Total Operating Expenses (including I.C.C. Depreciation, Licenses, and Taxes other than Income Taxes)	15,988,436	15,726,268	262,168
Net Income before Income Taxes	384,424	279,676	104,748
Income Taxes	441,784	10	441,774
Net Income	57,360*	279,666	
Miles Operated—Intercity	15,682,028	14,994,662	687,366
Miles Operated—Pick-up and Delivery	3,248,668	2,985,926	262,742
Tons per Intercity Highway Mile Operated	8.45	7.81	.64
Revenue per Ton Mile	$.0737	$.0710	$.0027

*Deficit

Note—Revenue from truck-billed traffic increased $676,420 or 5.58 per cent.

Accelerated depreciation, claimed for tax purposes, has been substantially in excess of the straight line depreciation authorized by the Interstate Commerce Commission as recorded in the stated income account for several years. Largely because of these additional tax depreciation deductions, BTL enjoyed the advantage of no Federal Income Tax liability from 1955 through 1960, although having some book net income before income taxes in each year. In 1961 the depre-

Burlington Truck Lines, Inc. (continued)

ciation allowable for tax purposes was $594,000 less than the normal straight line depreciation included in the stated income account and taxable income therefore is proportionately larger than the net income before income taxes shown in the income account. The resulting larger Income Tax liability caused a deficit in book net income.

Various labor contracts with Teamsters and other crafts were negotiated during 1961. Settlements were made on basis of upward adjustments over a period of three years in wages, health and welfare, and pensions. These various settlements had the effect of substantially increasing payroll and other fringe benefit costs in 1961. The increases will be even greater in 1962 and 1963.

Rate increases were sought and made wherever possible to overcome the higher cost of doing business. Several applications for rate increases are pending.

Hearings before the Interstate Commerce Commission and later the Illinois Commerce Commission were held during the year on permanent applications to acquire the H. B. Green Transportation Line of Burlington, Iowa. This property is presently being operated under a temporary certificate and lease arrangement. The I.C.C. authorized the purchase of the Filbey Freight Line operating between Aurora and Chicago, Illinois, serving certain intermediate points. Extension of operations to serve Yellowtail Dam in Montana was authorized by the I.C.C. but Montana intrastate application was denied. Extensions to serve Red Rock Dam site and community of Moulton, Iowa, and Moravia, Iowa, were also authorized.

In addition, certificates were issued covering six alternate and deviation routes for operating convenience, which will have the effect of a saving of 66 truck miles per day.

The National Safety Council awarded two certificates of achievement to Burlington Truck Lines in 1961 for safety programs resulting in reductions in over-the-road and city accidents.

Units of highway revenue freight equipment operated as of December 31, 1961, compared with 1960, were as follows:

	1961	**1960**
Trucks	145	150
Truck-Tractors	477	478
Semi-Trailers	2,243*	2,245†

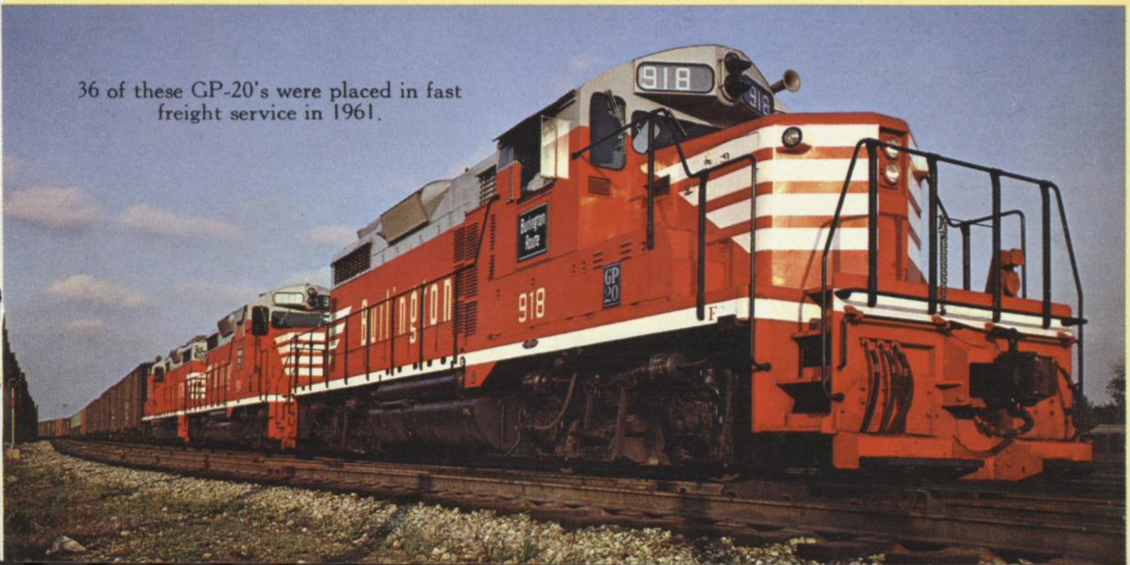
*Includes 600 owned by CB&Q RR. and 2 under lease.
†Includes 600 owned by CB&Q RR.

Burlington PROGRESS During the Last Decade

Burlington service . . . both freight and passenger . . . is built on substantial investments in facilities and equipment. The Burlington's total investment in road and equipment is now almost one billion dollars. These investments continue to grow as our patrons' needs expand.

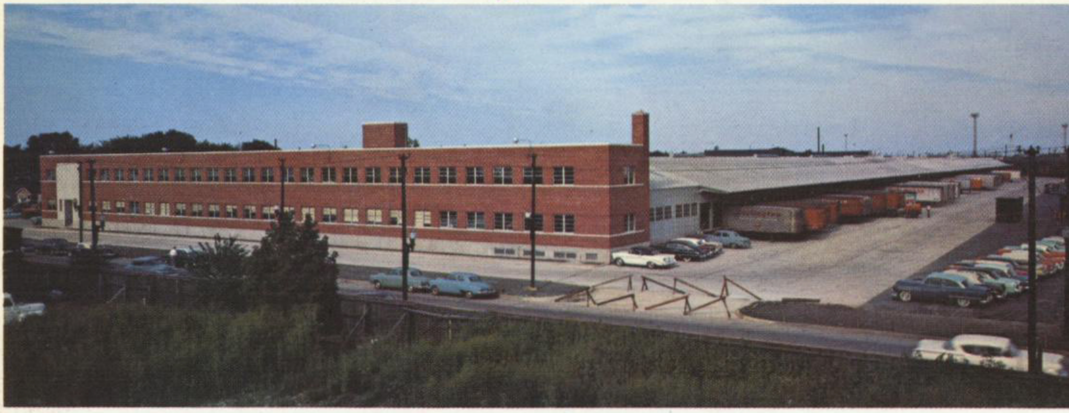
During 1962, for example, the Burlington plans to invest $23,300,000 as another part of this continuing program of improvement. Among the expenditures scheduled for this year are 30 high-speed diesel freight locomotives, more than 900 specially-equipped freight cars, and major improvements in the railroad over which our trains operate.

These pages portray some of the major investments made during the last decade. This is progress—a Burlington investment in better transportation service.

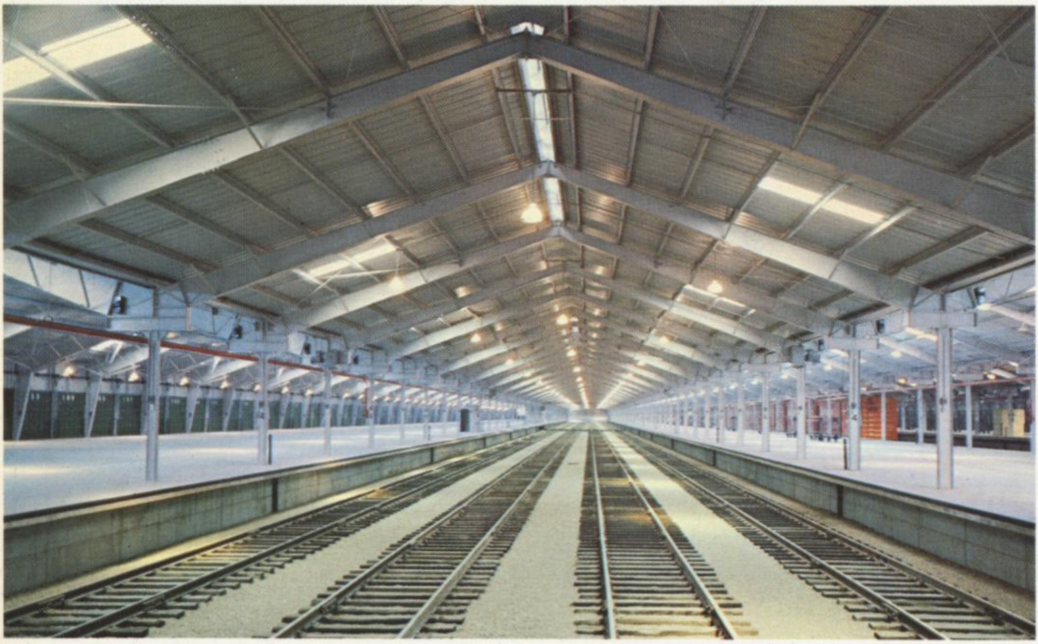


36 of these GP-20's were placed in fast freight service in 1961.

New Freight Houses *in* Chicago *and* Kansas City

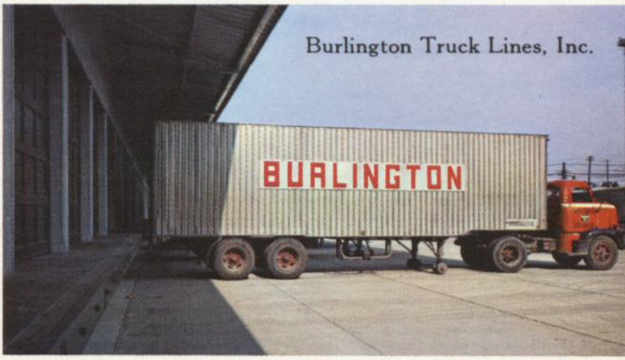


Chicago area Freight House Eight. A good example of Burlington's new freight handling facilities.



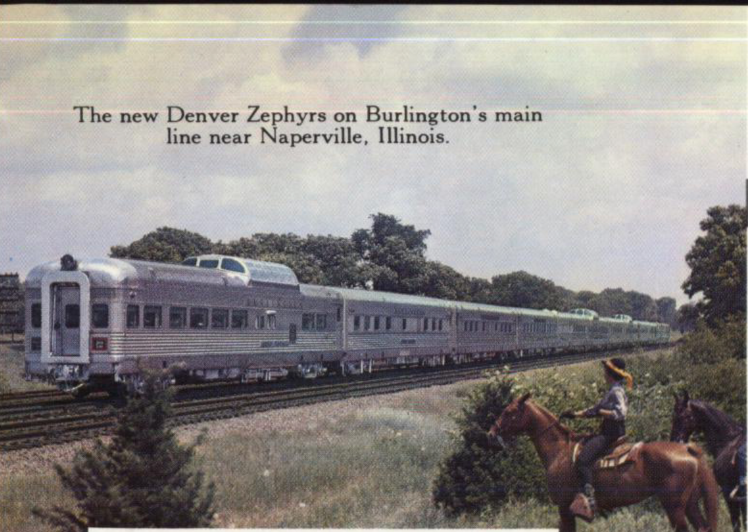
Over 350,000 square feet total covered area with the most modern mechanical features.

Two floor-installed conveyor lines handle freight.

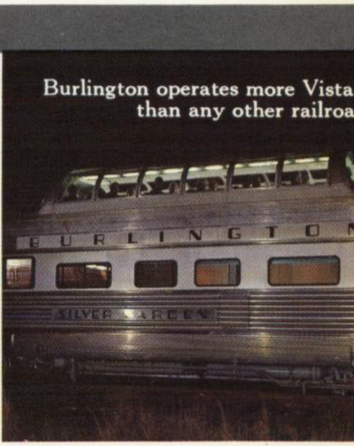


Burlington Truck Lines, Inc.

$195



The new Denver Zephyrs on Burlington's main line near Naperville, Illinois.


BURLINGTON
SILVER GARDEN

Burlington operates more Vista
than any other railroa

SILVER VERANDA
DENVER ZEPHYR

President H. C. Murphy at christening of new Denver Zephyr, October 28, 1956.

9995
BURLINGTON

Series E-9 Burlington Passenger D
2400 h.p. units placed in service

Christening American Royal and Kansas City Zephy
at Kansas City, January 31, 1953.

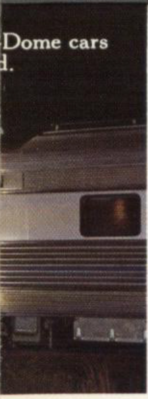
501
Burlington
501

SD-24—New 2400 horsepower Diesel Locomotives delivered in 1960.

BURLINGTON

Today modern suburban serv
by 21,000 commuters each

5,900,000 Invested *in* Motive Po

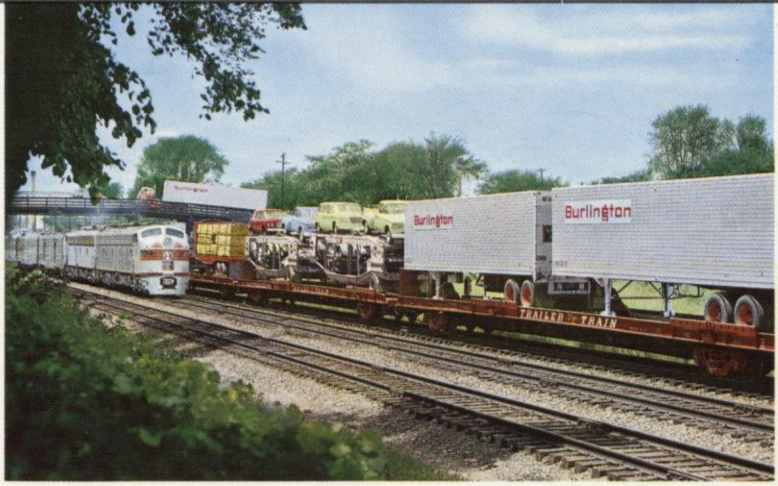


Dome cars
d.

Diesels. These
in 1954-55.

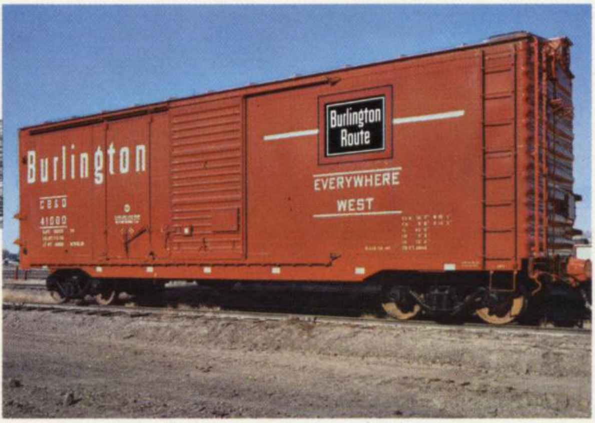
rs

ice is used
workday.


Burlington
Burlington
Burlington
TRAILER TRAIN

Piggy-back operations on the Burlington.

Mecha
part of


Burlington
CB&Q
41000
Burlington Route
EVERYWHERE WEST

The boxcar, workhorse of the fleet, in its new Chinese-red color design.

Burlingt
CB & Q
87515

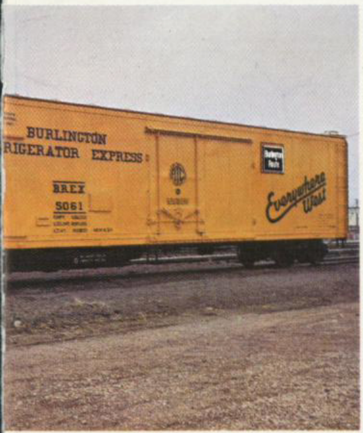
Airslide covered ho

Burlington
Burlington Route

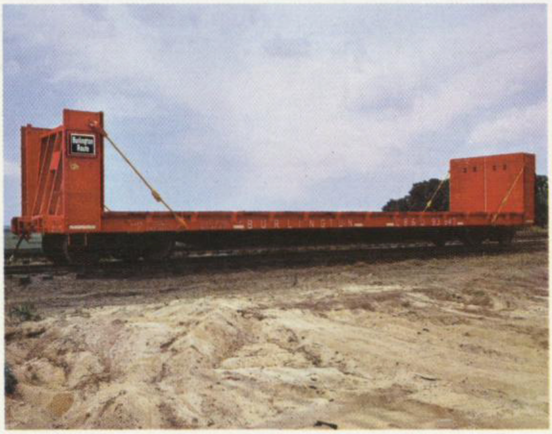
Gondola car (with roof to protect lading). 70-ton cars with a capacity of 2445 cubic feet.

50-ton roller-bearing-equipped flat cars.

wer *and* Rolling Stock *in* 10 Ye


BURLINGTON
RIGERATOR EXPRESS
BREX
5061
Everywhere West
Burlington Route

cal refrigerator cars are a
Burlington's modern fleet.


Burlington Route
BURLINGTON

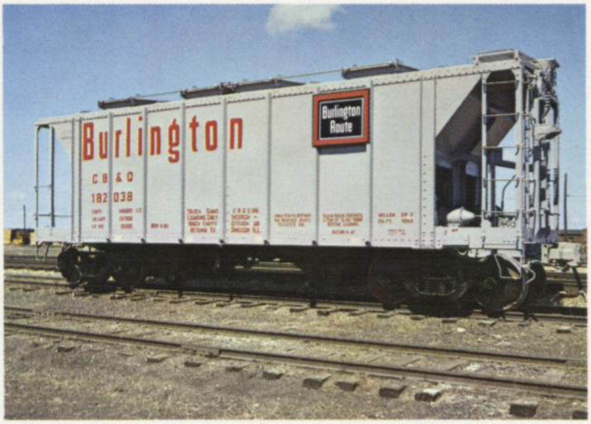
Roller-bearing-equipped bulkhead flat car
—one of a series built in 1961.

BURLINGTON
REFRIGERATOR EXPRESS

Insulated DF
a capacit

Burlington Route

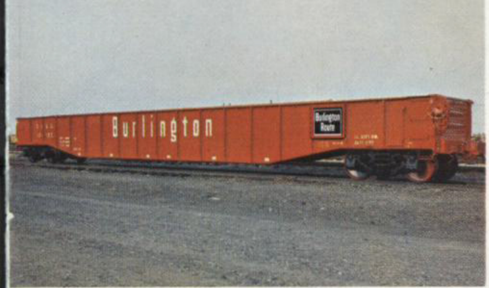
per cars.


Burlington
C B & Q
182038
Burlington Route

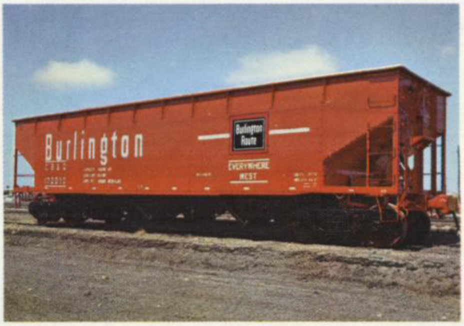
Covered hopper cars built at Burlington's
Havelock shop.

Burlington
C B & Q
19724
DF

50-ton roller-bear
a capacity o


Burlington
Burlington Route

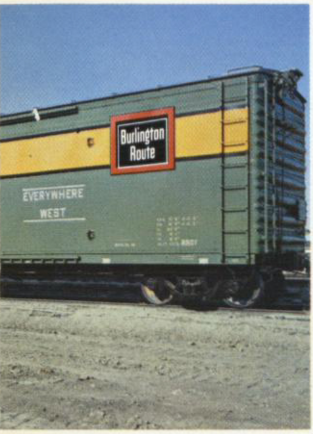
Mill-type gondola cars 70-ton cars with
a capacity of 1777 cubic feet.


Burlington
Burlington Route
EVERYWHERE WEST

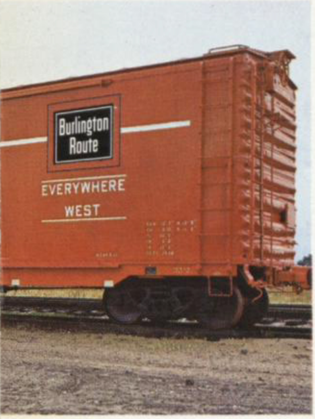
Open top steel hopper cars. 70-ton cars
with capacity of 2773 cubic feet, roller-bearing-equipped.

New all-ste
two-way

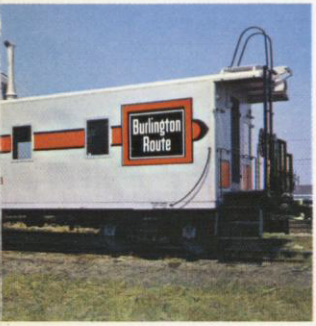
ars!


Burlington Route
EVERYWHERE WEST

boxcars, 70-ton cars with
of 4373 cubic fleet.


Burlington Route
EVERYWHERE WEST

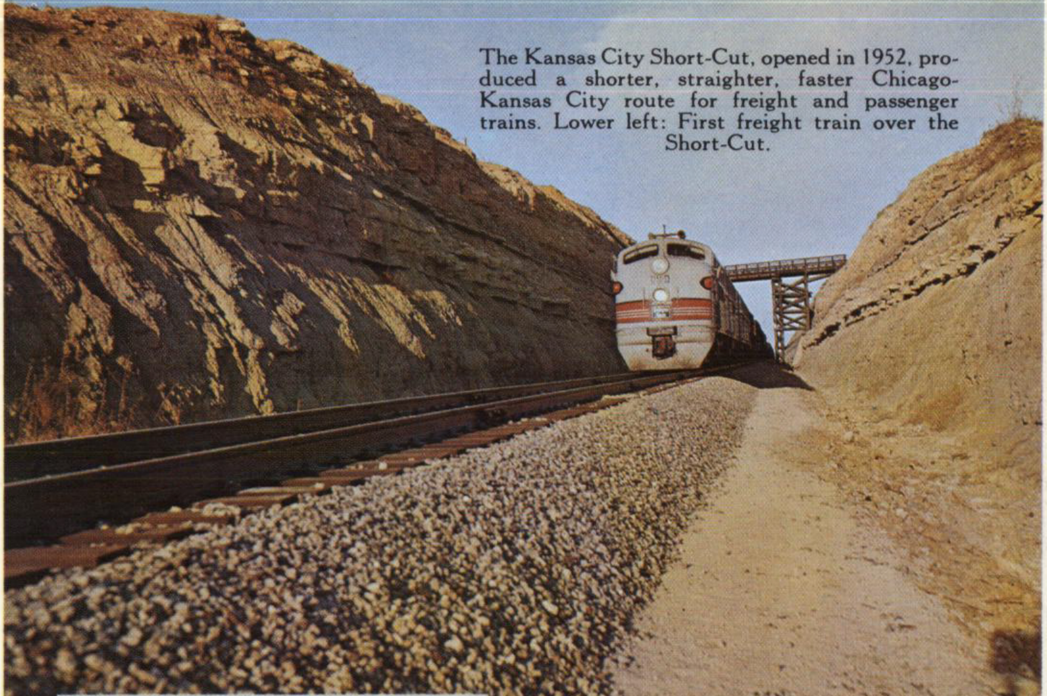
ing DF box cars with
3845 cubic feet.


Burlington Route

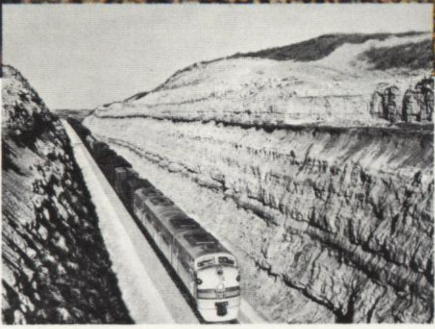
el way cars. Electric lights,
radio and roller-bearing
equipped.

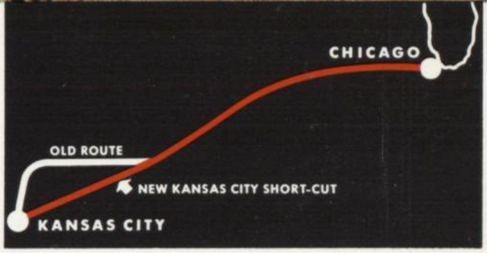
504
Burlington

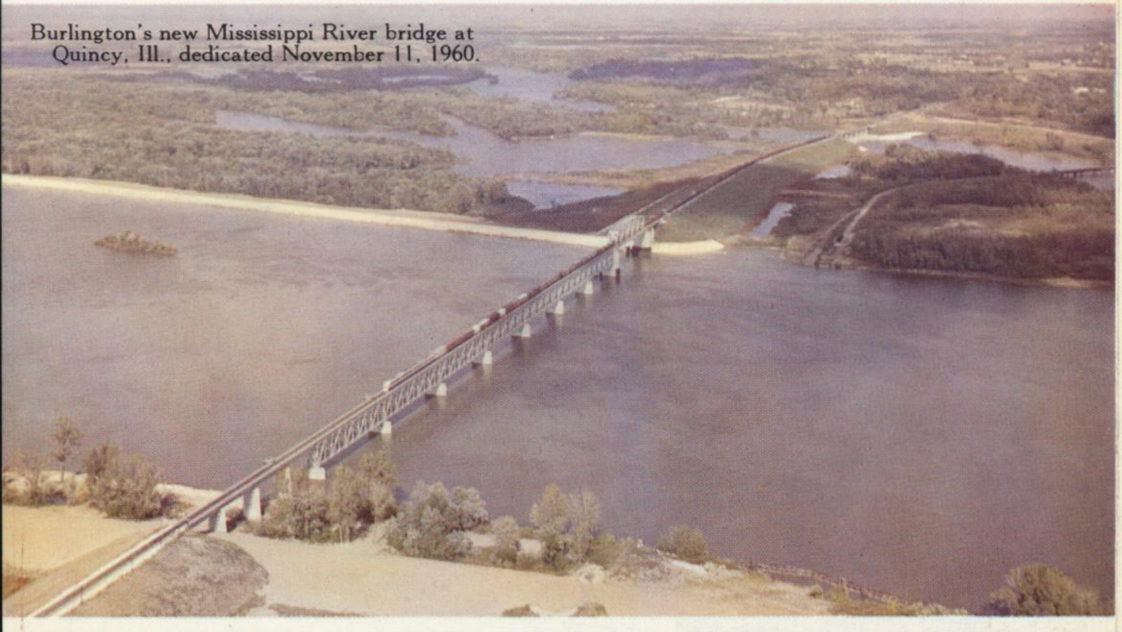
Fast Burlington freight trains powered by modern diesel locomotives.



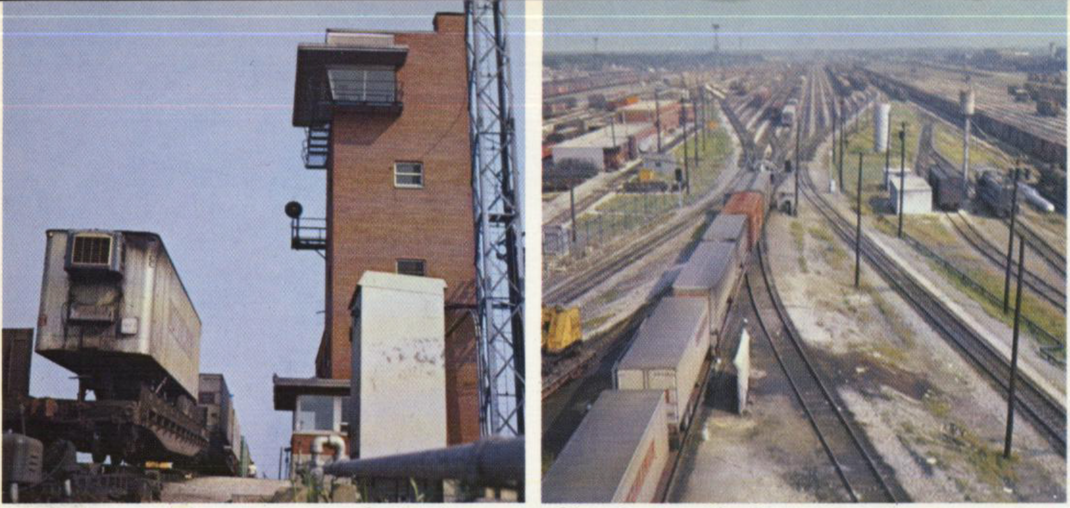
The Kansas City Short-Cut, opened in 1952, produced a shorter, straighter, faster Chicago-Kansas City route for freight and passenger trains. Lower left: First freight train over the Short-Cut.




CHICAGO
OLD ROUTE
NEW KANSAS CITY SHORT-CUT
KANSAS CITY



Burlington's new Mississippi River bridge at Quincy, Ill., dedicated November 11, 1960.



Cicero Automatic Classification Yard.
Electronically-controlled hump yard speeds handling of freight through the Chicago Gateway
Left: Main control tower. *Right:* Looking down the hump into classification tracks.

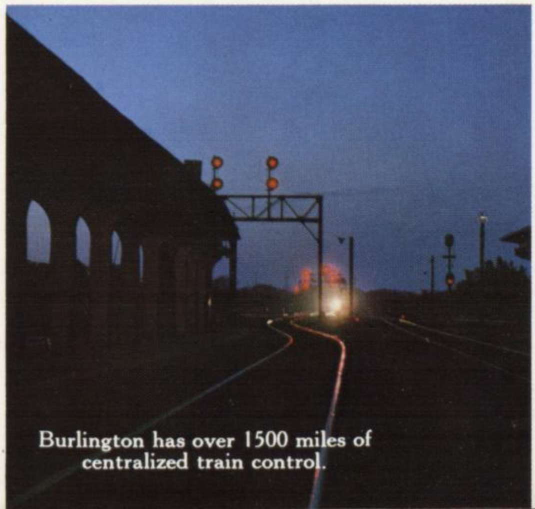
Track crew unloading new welded rail on main line near Princeton, Illinois.

Here track crane is placing new welded rail in position.

Rail being removed: New rail is then mechanically spiked to ties.

Major Lenox R. Lohr (left) President, Museum of Sciences and Industries accepts Pioneer Zephyr from President H. C. Murphy at presentation, May 26, 1960.

Steam engine No. 3003 on permanent display—Station Grounds, Burlington, Iowa.



Burlington has over 1500 miles of centralized train control.

MERGER

The proposed merger of Burlington, Great Northern and Northern Pacific, into a new Delaware corporation to be known as Great Northern Pacific & Burlington Lines, Inc., was described in some detail in the 1960 Annual Report.

At the Annual Meeting of the stockholders of Burlington, held May 3, 1961, the proposed merger was overwhelmingly approved, with 99.9 per cent of the shares outstanding and entitled to vote casting their votes in favor of the merger. In addition to the affirmative votes of the Great Northern and Northern Pacific, as holders of Burlington stock, 99.23 per cent of the minority stock voting was cast in approval of the merger.

Applications seeking necessary Interstate Commerce Commission authorization for the merger were filed February 17, 1961, and the first hearing before Examiner Robert H. Murphy was held October 10 to 13, 1961, at St. Paul. At that time, 21 witnesses representing the merging companies presented the applicants' affirmative case, including detailed evidence concerning the improvements in service, car supply, and transit and diversion privileges which will result from the merger.

Subsequent hearings before the Interstate Commerce Commission Examiner were held at Minneapolis and St. Paul, December 5 to 21, 1961, and January 18 to 31, 1962. During the final days of those hearings a number of public witnesses presented evidence supporting the merger, and at the further hearings scheduled by the Commission testimony of additional supporters will be presented. The final hearing is scheduled to begin at Minneapolis June 27, 1962.

Although no railroad has expressly asked the Commission to deny the merger application, several have requested that conditions be imposed for their protection if the merger is approved,

Several intervenors, other than railroads, oppose the merger generally because of a concern over reduced employment. The testimony presented in the case has shown that the average employment turnover on the merging companies is 6 per cent, which would create almost as many jobs **each year** as would be vacated gradually over the 5-year period which would be required to bring about integration of the properties. In addition,the Interstate Commerce Commission is required by law to provide broad protection for employes who may be adversely affected by the merger, generally for a period of at least 4 years following its consummation. The evidence shows that job opportunities on the railroads have declined and that the best prospect for stable employment lies in approval of the proposed merger.

CHANGES IN ORGANIZATION

The Company records with deep regret the loss by death of—

Mr. J. C. Starbuck, General Manager—Lines East.
Mr. E. P. Stine, General Manager—Lines West.

The following System officers retired under the pension rules of the Company:

Mr. J. F. McAlpine, Director of Purchases and Stores, January 31, 1961.
Mr. F. E. Sperry, Assistant Vice President—Operating Department, March 31, 1961.
Mr. R. W. Coglan, Treasurer and Assistant Secretary, August 31, 1961.

Appointments during the year:

Mr. W. K. Bush, Treasurer and Assistant Secretary, September 1, 1961.
Mr. I. C. Ethington, General Manager—Lines East, May 16, 1961.
Mr. J. W. Terrill, General Manager—Lines West, May 16, 1961.
Mr. H. V. Schiltz, Director of Purchases, February 1, 1961.
Mr. C. E. Swanson, General Purchasing Agent, February 1, 1961.
Mr. A. E. Egbers, Assistant to Vice President—Operation (Labor Relations), November 1, 1961.
Mr. G. M. Youhn, Director of Labor Relations, November 1, 1961.

* * *

The Company acknowledges, with sincere appreciation, the loyalty and efficient services of officers and employes.

By order of the Board of Directors.

H. C. MURPHY, President

COMPARATIVE STATEMENT OF INCOME, YEARS ENDED DECEMBER 31

(See Pages 40 to 42)

Percent of Ry. Oper. Revenue	1961	Railway Operating Revenues	1960	Percent of Ry. Oper. Revenue
80.67	$205,020,997	Freight	$202,493,479	80.63
8.35	21,211,215	Passenger	21,430,686	8.54
5.31	13,505,520	Mail	12,814,419	5.10
1.50	3,827,859	Express	3,550,124	1.41
1.86	4,722,547	All other transportation	4,726,216	1.88
1.78	4,524,380	Incidental	4,848,617	1.93
.53	1,348,294	Joint Facility	1,272,349	.51
100.00	254,160,812	Total railway operating revenues	251,135,890	100.00
Operating Ratios		**Railway Operating Expenses**		Operating Ratios
13.85	35,201,985	Maintenance of way and structures	34,084,898	13.57
17.67	44,916,428	Maintenance of equipment	46,414,611	18.48
2.98	7,591,547	Traffic	7,568,132	3.01
39.92	101,430,555	Transportation	103,168,403	41.08
1.29	3,276,765	Miscellaneous operations	3,503,779	1.40
3.73	9,485,527	General	9,211,709	3.67
79.44	201,902,807	Total railway operating expenses	203,951,532	81.21
20.56	52,258,005	Net revenue from railway operations	47,184,358	18.79
	5,526,645	Federal income taxes	3,271,214	
	10,664,192	Federal payroll taxes	11,016,440	
	11,739,184	All other taxes	10,890,418	
	*27,930,021	Total taxes	*25,178,072	
	24,327,984	Railway operating income	22,006,286	
	Dr. 2,988,872	Hire of equipment—Net	Dr. 2,799,333	
	Dr. 2,421,031	Joint facility rents—Net	Dr. 2,574,455	
	18,918,081	Net railway operating income	16,632,498	
		Other Income		
	1,253,257	Rentals	1,217,444	
	1,433,887	Dividends and interest	1,991,567	
	785,522	Miscellaneous	586,809	
	3,472,666	Total other income	3,795,820	
	22,390,747	Total income	20,428,318	
		Deductions from Total Income		
	32,206	Rents payable	33,210	
	168,675	Taxes on nonoperating property	181,523	
	118,638	Miscellaneous income charges	108,072	
	319,519	Total deductions	322,805	
	22,071,228	Income available for fixed charges	20,105,513	
		Fixed Charges		
	67,139	Rent for leased roads and equipment	57,293	
	7,521,065	Interest on funded debt	7,484,585	
	1,530	Interest on unfunded debt	1,245	
	72,828	Amortization of discount on funded debt	69,252	
	7,662,562	Total fixed charges	7,612,375	
	14,408,666	Net income	12,493,138	
	12,812,902	Dividends	12,812,902	

*See Page 23—"Taxes"

GENERAL BALANCE SHEET

December 31, 1961

ASSETS

CURRENT ASSETS:		
Cash		$ 17,614,423
Temporary cash investments		27,791,651
Special deposits		288,141
Loans & notes receivable		1,270
Net balance receivable from agents and conductors		5,643,866
Miscellaneous accounts receivable		8,488,025
Interest and dividends receivable		197,444
Accrued accounts receivable		7,143,473
Working fund advances		135,347
Prepayments		180,339
Material and supplies		17,462,492
Other current assets		295,601
Total current assets		85,242,072
SPECIAL FUNDS:		
Sinking funds		1,732
Capital and other reserve funds		2,939,045
Insurance and other funds		1,841,138
Total special funds		4,781,915
INVESTMENTS:		
Investments in affiliated companies:		
Stocks	$ 26,837,781	
All other	15,220,114	42,057,895
Other investments:		
Stocks	$ 1,377,648	
Bonds	2,300	
All other	2,427	1,382,375
Total investments		43,440,270
PROPERTIES:		
Road and equipment property		943,851,176
Accrued depreciation—Road and equipment	$224,692,973	
Amortization of defense projects—Road and equipment	35,632,928	260,325,901
Total transportation property less recorded depreciation and amortization		683,525,275
Miscellaneous physical property		10,160,272
Total properties less recorded depreciation and amortization		693,685,547
OTHER ASSETS AND DEFERRED CHARGES:		
Other assets		1,269,442
Unamortized discount on long-term debt		602,433
Other deferred charges		3,676,031
Total other assets and deferred charges		5,547,906
Grand Total		$832,697,710

GENERAL BALANCE SHEET

December 31, 1961

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:		
Traffic and car-service balances—Cr.		$ 1,864,505
Audited accounts and wages payable		5,640,395
Miscellaneous accounts payable		3,057,323
Interest matured unpaid		457,420
Unmatured interest accrued		2,380,047
Accrued accounts payable		11,906,109
Federal income taxes accrued		3,165,932
Other taxes accrued		9,809,550
Other current liabilities		4,403,430
Total current liabilities (exclusive of long-term debt due within one year)		42,684,711
LONG-TERM DEBT DUE WITHIN ONE YEAR:		
Funded debt—Sinking fund requirements	$ 2,605,115	
Held by or for company	2,110,825	494,290
Equipment obligations		12,137,372
Total long-term debt due within one year		12,631,662
LONG-TERM DEBT:		
Funded debt unmatured (Page 36):		
Total issued	$157,409,885	
Held by or for company	29,972,175	127,437,710
Equipment obligations (Page 36)		80,674,108
Amounts payable to affiliated companies		392,260
Total long-term debt		208,504,078
RESERVES:		
Insurance reserves		3,067,474
Casualty and other reserves		810,020
Total reserves		3,877,494
OTHER LIABILITIES AND DEFERRED CREDITS:		
Other Liabilities		680,722
Unamortized premium on long-term debt		173
Other deferred credits		444,221
Accrued depreciation—Leased property		246,787
Total other liabilities and deferred credits		1,371,903
SHAREHOLDERS' EQUITY:		
Capital stock issued		170,839,100
Common stock—Par value $100 per share.		
Capital surplus		593,583
Retained income		
Retained income—Appropriated (Page 32)		48,025,460
Retained income—Unappropriated (Page 32)		344,169,719
Total retained income		392,195,179
Total shareholders' equity		563,627,862
Contingent liabilities (Page 43)		
Grand Total		$832,697,710

COMPARATIVE STATEMENT OF UNAPPROPRIATED RETAINED INCOME ACCOUNT, YEARS ENDED DECEMBER 31

	1961	1960	Increase	Decrease
CREDITS:				
Credit balance at beginning of year	$343,285,113	$344,313,003	....	$ 1,027,890
Credit balance transferred from income	14,408,666	12,493,138	$ 1,915,528	....
Miscellaneous credits*	770,418	767,131	3,287	....
Total	$358,464,197	$357,573,272	$ 890,925	....
DEBITS:				
Dividends	$ 12,812,902	$ 12,812,902	....	....
Miscellaneous debits	1,481,576	1,475,257	$ 6,319	....
Credit balance carried to balance sheet	344,169,719	343,285,113	884,606	....
Total	$358,464,197	$357,573,272	$ 890,925	....

*Federal income taxes assigned to retained income under I. C. C. Regulations.

Appropriated Retained Income of $48,025,460 (Page 31) was expended in retiring Funded Debt prior to Year 1928.

INVESTMENT IN ROAD AND EQUIPMENT

YEAR 1961

Account		Additions and Betterments
Engineering	Cr.	$ 114,519
Land for transportation purposes	Cr.	26,585
Other right-of-way expenditures		4,400
Grading	Cr.	649,154
Tunnels and subways	Cr.	63,826
Bridges, trestles and culverts	Cr.	347,994
Ties	Cr.	249,434
Rails	Cr.	214,290
Other track material	Cr.	17,374
Ballast	Cr.	60,610
Track laying and surfacing	Cr.	65,334
Fences, snowsheds and signs	Cr.	27,968
Station and office buildings		61,953
Roadway buildings	Cr.	42,613
Water stations	Cr.	476,420
Fuel stations	Cr.	488,868
Shops and enginehouses	Cr.	711,998
Communication systems		136,804
Signals and interlockers		41,209
Power plants	Cr.	2,484
Power-transmission systems	Cr.	13,870
Miscellaneous structures		9,925
Roadway machines		463,408
Roadway small tools	Cr.	5,496
Public improvements—Construction		145,120
Shop machinery	Cr.	573,289
Power-plant machinery	Cr.	94,596
Total expenditures for road	Cr.	3,383,903
Steam Locomotives	Cr.	4,175,584
Other locomotives		2,160,519
Freight-train cars		5,885,267
Passenger-train cars	Cr.	331,038
Work equipment	Cr.	53,089
Miscellaneous equipment		257,698
Total expenditures for equipment		3,743,773
General officers and clerks	Cr.	19,507
Law	Cr.	11,569
Stationery and printing	Cr.	1,300
Taxes	Cr.	6,362
Interest during construction	Cr.	279,518
Other expenditures—General	Cr.	3,872
Total general expenditures	Cr.	322,128
Grand Total		$ 37,742

"Cr."—Credits due to retirements.

STATISTICS OF OPERATIONS

ITEMS	1961	1960
Actual miles road operated, end of year	8,575.31	8,648.31
Average mileage of road operated—Total	8,626.27	8,659.25
Average mileage of road operated—Freight Service	8,590.96	8,621.39
Average mileage of road operated—Passgr. Service	3,896.27	4,204.92
TRAIN MILES		
Freight	12,003,704	12,306,304
Passenger	8,566,514	9,331,904
Total transportation service	20,570,218	21,638,208
Work service	59,762	82,862
LOCOMOTIVE MILES		
Freight	12,270,029	12,580,094
*Passenger	8,552,849	9,274,677
Train and yard switching	6,153,435	6,417,246
Total transportation service	26,976,313	28,272,017
Work service	576,257	591,903
CAR MILES		
Loaded freight cars	514,632,537	517,160,811
Empty freight cars	299,477,007	299,266,646
Sum of loaded and empty	814,109,544	816,427,457
Caboose	12,041,216	12,248,841
Total freight cars	826,150,760	828,676,298
Coach and combination passenger cars	25,514,697	26,355,876
Sleeping and parlor	16,580,097	18,104,815
Club, lounge, dining and observation	9,708,551	9,742,236
Other	35,957,229	37,884,070
Total passenger cars	87,760,574	92,086,997
Total transportation service	913,911,334	920,763,295
Work service	551,867	740,268
FREIGHT SERVICE		
Tons—revenue freight	48,328,695	47,272,863
Tons—revenue and non-revenue freight	50,163,325	49,247,617
Ton-miles—revenue freight	15,729,303,978	15,256,220,477
Ton-miles—revenue and non-revenue freight	16,213,876,400	15,754,455,800
PASSENGER SERVICE		
Passengers carried—revenue	11,209,597	11,397,962
Passenger miles—revenue	855,285,275	874,278,825

*Excludes mileage of combination motor passenger cars:

1961—113,530
1960—165,448

STATISTICS OF OPERATIONS—Continued

ITEMS	1961	1960
AVERAGES PER MILE OF ROAD		
Freight-train miles	1,397	1,427
Passenger-train miles	2,199	2,219
Transportation service train-miles	2,385	2,499
Transportation service locomotive-miles	3,116	3,265
Freight service car-miles	96,252	96,119
Passenger service car-miles	22,524	21,900
Freight revenue	$23,886.26	$23,487.34
Passenger service train revenue	$10,614.16	$ 9,686.23
Operating revenues	$29,463.58	$29,002.04
Operating expenses	$23,405.57	$23,553.03
Net operating revenue	$ 6,058.01	$ 5,449.01
Net railway operating income	$ 2,193.08	$ 1,920.78
Ton miles—revenue freight	1,823,417	1,761,841
Ton miles—all freight	1,889,020	1,827,368
Passenger-miles—revenue	99,149	100,965
AVERAGES PER TRAIN-MILE		
Loaded freight car-miles	42.87	42.02
Empty freight car-miles	24.95	24.32
Ton-miles—revenue freight	1,310.37	1,239.71
Ton-miles—all freight	1,350.74	1,280.19
Passenger train car-miles	10.24	9.87
Revenue passenger-miles	99.82	93.69
Freight revenue	$ 17.08	$ 16.45
Passenger service train revenue	$ 4.82	$ 4.36
Operating revenues	$ 12.36	$ 11.61
Operating expenses	$ 9.82	$ 9.43
Net operating revenue	$ 2.54	$ 2.18
AVERAGES PER LOADED FREIGHT CAR MILE		
Ton-miles—revenue freight	30.56	29.50
Ton-miles—all freight	31.51	30.46
Freight revenue	$ .39838	$ .39155
AVERAGES PER CAR-MILE, PASSENGER		
Passenger-miles—revenue	20.51	19.87
Passenger revenue	$ .50850	$ .48703
MISCELLANEOUS AVERAGES		
Miles hauled—revenue freight	325.47	322.73
Miles hauled—non-revenue freight	264.07	251.92
Miles hauled—all freight	323.22	319.90
Miles carried—revenue passengers	76.30	76.70
Revenue per ton of freight	$ 4.24222	$ 4.28351
Revenue per ton-mile of freight	$ .01303	$ .01327
Revenue per passenger	$ 1.89224	$ 1.88022
Revenue per passenger-mile	$ .02480	$ .02451
Operating ratio	79.44	81.21

LONG-TERM DEBT—December 31, 1961

Name and Character of Obligation	Interest Rate %	Maturity Date	Outstanding With Public	Held in Treasury Unpledged
FIRST AND REFUNDING MORTGAGE BONDS				
Series of 1970	4.5	1970	$	$10,140,000
Series of 1970	2.875	1970	(a) 45,216,000	293,000
Series of 1978	4.375	1978	(b) 21,975,000	525,000
Series of 1985	3.125	1985	(c) 39,176,000	1,112,000
Series of 1990	3	1990	(d) 21,565,000	284,000
Series of 1998	4	1998		19,729,000
Total Bonds			$127,932,000	$32,083,000
EQUIPMENT OBLIGATIONS				
Equipment Trust Certificates		Serially to		
1948	2.25	1963	$ 723,000	$
1949 No. 1	2.25	1964	535,000	
1950	2.125	1965	2,380,000	
1953 No. 1	3.25	1968	3,055,000	
1953 No. 2	2.875	1968	2,520,000	
1954 No. 1	2.625	1969	3,910,000	10,000
1954 No. 2	2.625	1969	2,540,000	20,000
1955 No. 1	2.875	1970	5,220,000	
1955 No. 2	3.125	1970	2,610,000	
1956 No. 1	3.125	1971	4,940,000	
1956 No. 2	3.875	1971	2,400,000	
1957	3.75	1972	5,250,000	
1958 No. 1	3.5	1973	3,450,000	
1958 No. 2	3.5	1973	3,680,000	
1958 No. 3	3.375	1973	4,920,000	
1959 No. 1	4.375	1974	3,500,000	
1959 No. 2	4.625	1974	6,110,000	
1959 No. 3	5	1974	2,730,000	
1960	4.625	1975	2,380,000	
1961 No. 1	4.25	1976	8,265,000	
1961 No. 2	4.25	1976	4,640,000	
1961 No. 3	4.125	1976	2,400,000	
Conditional Payment Contracts				
The Northern Trust Co.	4.25	1965	2,573,437	
The Northern Trust Co.	4.25	1965	660,937	
The Northern Trust Co.	4.25	1964	539,420	
The Northern Trust Co.	4.75	1964	173,445	
The Northern Trust Co. Chicago—Assignee	4.75	1964	509,976	
First National Bank	5	1965	716,976	
First National Bank	5	1965	358,488	
First National Bank Chicago—Assignee	5	1965	132,756	
Morgan Guaranty Trust Co., New York—Assignee	3.25 and 3.375	1967	8,472,313	
Continental Illinois Nat'l. Bank & Trust Co., Chicago—Assignee	4	1967	515,732	
Total Equipment Obligations			$ 92,811,480	$ 30,000
Total Long-Term Debt			$220,743,480	$32,113,000

(a) Annual sinking fund $248,825. (b) Annual sinking fund $500,000.

(c) Annual sinking fund $325,000 together with an amount equal to 10% of dividends paid by the Company on its capital stock in the preceding calendar year.

(d) Annual sinking fund $250,000.

CHANGES IN CAPITAL LIABILITIES IN 1961

	Increase	Decrease
Bonds:		
First and Refunding 2⅞% Series of 1970		$ 366,000
First and Refunding 3⅛% Series of 1985		2,725,000
First and Refunding 3% Series of 1990		478,000
First and Refunding 4⅜% Series of 1978		525,000
Principal of Equipment Obligations:		
Equipment Trust of 1948		482,000
Equipment Trust of 1949—No. 1		214,000
Equipment Trust of 1950		680,000
Equipment Trust of 1953—No. 1		470,000
Equipment Trust of 1953—No. 2		360,000
Equipment Trust of 1954—No. 1		490,000
Equipment Trust of 1954—No. 2		320,000
Equipment Trust of 1955—No. 1		580,000
Equipment Trust of 1955—No. 2		290,000
Equipment Trust of 1956—No. 1		520,000
Equipment Trust of 1956—No. 2		240,000
Equipment Trust of 1957—No. 1		500,000
Equipment Trust of 1958—No. 1		300,000
Equipment Trust of 1958—No. 2		320,000
Equipment Trust of 1958—No. 3		410,000
Equipment Trust of 1959—No. 1		280,000
Equipment Trust of 1959—No. 2		470,000
Equipment Trust of 1959—No. 3		210,000
Equipment Trust of 1960—No. 1		170,000
Equipment Trust of 1961—No. 1		285,000
Equipment Trust of 1961—No. 2		160,000
Equipment Conditional Sale Contracts		3,866,987
Securities Issued:		
Equipment Trust of 1961—No. 1	$ 8,550,000	
Equipment Trust of 1961—No. 2	4,800,000	
Equipment Trust of 1961—No. 3	2,400,000	
	$15,750,000	$15,711,987
Net Increase	$ 38,013	

DESCRIPTION OF MORTGAGES

First and Refunding Mortgage

The First and Refunding Mortgage is a first lien on 7854.03 miles of main and branch line railroad now owned by the Company including terminals and appurtenant property, situated in the States of Illinois, Wisconsin, Minnesota, Iowa, Missouri, Nebraska, Kansas, Colorado, South Dakota, Wyoming and Montana; is a first lien on all locomotives, cars and other rolling stock and equipment owned by the Company and not subject to any equipment trust or conditional sale agreement securing the purchase price thereof; and also is a first lien on 358,563 shares of capital stock of The Colorado and Southern Railway Company, which are pledged under this Mortgage.

Additional First and Refunding Mortgage Bonds may be issued, subject to the provisions and limitations of the Mortgage and the Supplemental Indentures thereto.

Provisions for the redemption of each series of First and Refunding Mortgage Bonds, and the sinking funds are summarized as follows:

Series of 1970 2⅞% Bonds may be redeemed as a whole, or in part, on any interest date at 102⅞ August 1, 1957 to July 31, 1961; at 101⅞ August 1, 1961 to July 31, 1965; thereafter the premium reduces periodically to August 1, 1969, after which date they are callable at par; in each instance with accrued interest.

An annual sinking fund of $248,825 for redemption of Series of 1970 2⅞% Bonds is payable to the Trustee on or before May 1 each year. For such redemption, prices are 101⅜ August 1, 1957 to July 31, 1961; 100⅞ August 1, 1961 to July 31, 1965; reduced periodically to August 1, 1969, and thereafter at par; in each instance with accrued interest.

Series of 1978 4⅜% Bonds may be redeemed as a whole, or in part, on any interest date at 105 February 1, 1963 to January 31, 1964; thereafter the premium reduces periodically to January 31, 1976; after which date they are callable at par; in each instance with accrued interest.

An annual sinking fund of $500,000, for redemption of Series of 1978 4⅜% Bonds is payable to the Trustee on or before November 1 each year. For such redemption, prices are 103 February 1, 1958 to January 31, 1963; reduced periodically to January 31, 1976, and thereafter at par; in each instance with accrued interest.

Series of 1985 3⅛% Bonds may be redeemed as a whole, or in part, on any interest date at 103⅞ August 1, 1957 to July 31, 1961; 103⅜ August 1, 1961 to July 31, 1965; thereafter the premium reduces periodically to August 1, 1982, after which date they are callable at par; in each instance with accrued interest.

An annual sinking fund of $325,000, together with an amount equal to 10% of dividends paid by the Company on its capital stock in the preceding calendar year, is payable to the Trustee on or before May 1 in each year for redemption of the Series of 1985 Bonds. Redemption prices are 101¾ August 1, 1957 to July 31, 1961; 101½ August 1, 1961 to July 31, 1965; reduced periodically to August 1, 1982, and thereafter at par; in each instance with accrued interest.

Series of 1990 3% Bonds may be redeemed as a whole, or in part, on any interest date at 103¼ February 1, 1958 to January 31, 1962, February 1, 1962 to January 31, 1966, 102¾; thereafter the premium reduces periodically to January 31, 1989, after which date they are callable at par; in each instance with accrued interest.

An annual sinking fund of $250,000 for redemption of Series of 1990 3% Bonds is payable to the Trustee on or before November 1 each year. For such redemption, prices are 100¾ February 1, 1958 to January 31, 1962, February 1, 1962 to January 31, 1966, 100¾; reduced periodically to January 31, 1989, and thereafter at par; in each instance with accrued interest.

MILEAGE

	Miles of Road	Second Track	Third Track	Fourth Track	Yard Tracks and Sidings*	Total
Owned						
Colorado	392.57	.52			175.62	568.71
Illinois	1,505.57	317.91	40.95	4.75	1,024.78	2,893.96
Iowa	880.76	249.44			274.23	1,404.43
Kansas	200.49				23.43	223.92
Minnesota	23.09	2.71			38.74	64.54
Missouri	1,118.34	12.74			438.37	1,569.45
Montana	134.53				46.60	181.13
Nebraska	2,636.24	29.32			763.24	3,428.80
South Dakota	183.49				29.94	213.43
Wisconsin	220.25	214.17			61.01	495.43
Wyoming	677.59				199.06	876.65
Total*	7,972.92	826.81	40.95	4.75	3,075.02	11,920.45
Operated under lease or contract	602.39	130.75	.76	.76	452.30	1,186.96
Grand Total*	8,575.31	957.56	41.71	5.51	3,527.32	13,107.41

*Includes yard tracks and sidings owned but not operated as follows: Illinois .71 mile, Iowa .71 mile, Nebraska .30 mile, total 1.72 miles.

OWNED EQUIPMENT IN SERVICE

Description	Number on Dec. 31, 1960	Number Added During Year	Number Retired During Year	Number on Dec. 31, 1961	Average tractive power all locomotives and average capacity all freight cars
Locomotives:					
Steam	56		43	13	
Diesel Road	508	36	29	515	
Diesel Switch	177			177	
Gas-Electric					
Total Locomotives	741	36	72	705	62,479 Lbs.
Freight-train cars:					
Box	22,551	853	1,787	21,617	
Flat	2,296	65	117	2,244	
Stock	3,313		135	3,178	
Gondola and Hopper	15,249	401	765	14,885	
Rack	100	79		179	
Caboose	486		22	464	
All classes of freight-train cars	43,995	1,398	2,826	42,567	52.68 Tons
Passenger-train cars:+					
Coaches	289		1	288	
Combination coach	31		6	25	
Parlor	10			10	
Sleeping		9	6	3	
Dining	48			48	
Club, lounge and observation	7			7	
Postal	24			24	
Baggage, express and other non-passenger	501	1	5	497	
Other passenger cars	16	6	3	19	
Total	926	16	21	921	
Passenger rail motor cars:					
Combination coach	2		2		
Other passenger-train rail motor	7		1	6	
Total	9		3	6	
All classes of passenger-train cars	935	16	24	927	
Company service cars:					
Business	12		1	11	
Ballast	1,287			1,287	
Derrick	4			4	
Wrecking	18			18	
Other company service	2,650	103	196	2,557	
All classes of company service cars	3,971	103	197	3,877	
All classes of cars in service	48,901	1,517	3,047	47,371	

OWNED EQUIPMENT LEASED

Description	Number Under Lease on Dec. 31, 1960	Number Leased During Year	Number Withdrawn from Lease During Year	Number Under Lease on Dec. 31, 1961
Freight-refrigerator cars*	2,311	250	36	2,525
Passenger-refrigerator cars*	3		1	2
Freight-flat cars @	25	28	15	38
Freight-gondola cars‡	100			100
Zephyr train cars‡	2			2
Business car‡		1		1
Sleeping cars#	84		9	75

+22 cars are articulated. ‡Leased to Fort Worth and Denver Railway Co.

*Leased to Burlington Refrigerator Express Co. #Leased to Pullman Company.

@ 28 cars leased to Southern Pacific Lines and 10 cars to Colorado and Southern Ry. Co.

COMPARATIVE STATEMENT OF INCOME ACCOUNT FOR YEARS ENDED DECEMBER 31

	1961	1960	Increase	Decrease
RAILWAY OPERATING REVENUES—				
TRANSPORTATION:				
Freight	$205,020,997	$202,493,479	$ 2,527,518	
Passenger	21,211,215	21,430,686		$ 219,471
Baggage	28,567	28,585		18
Parlor and chair car	107,047	115,622		8,575
Mail	13,505,520	12,814,419	691,101	
Express	3,827,859	3,550,124	277,735	
Other passenger-train	267,134	265,261	1,873	
Milk	123,675	124,932		1,257
Switching	4,196,124	4,191,815	4,309	
Total	$248,288,138	$245,014,923	$ 3,273,215	
INCIDENTAL:				
Dining and buffet	$ 2,284,636	$ 2,400,188		$ 115,552
Station and train privileges	45,670	52,097		6,427
Storage—Freight	7,280	11,748		4,468
Demurrage	643,789	769,743		125,954
Comunication	63,045	72,706		9,661
Power	8,573	7,782	$ 791	
Rents of buildings and other property	501,848	526,568		24,720
Miscellaneous	969,539	1,007,786		38,247
Total	$ 4,524,380	$ 4,848,618		$ 324,238
Joint facility—Cr.	$ 1,362,533	$ 1,283,505	$ 79,028	
Joint Facility—Dr.	Dr. 14,239	Dr. 11,156		$ 3,083
Total	$ 1,348,294	$ 1,272,349	$ 75,945	
Total railway operating revenues	$254,160,812	$251,135,890	$ 3,024,922	

	1961	1960	Increase	Decrease
RAILWAY OPERATING EXPENSES—				
Maintenance of way and structures	$ 29,322,398	$ 28,975,000	$ 347,398	
Maintenance of equipment	31,735,520	33,312,822		$ 1,577,302
Traffic	7,591,547	7,568,132	23,415	
Transportation	101,430,555	103,168,403		1,737,848
Miscellaneous operations	3,276,765	3,503,779		227,014
General	9,485,527	9,211,709	273,818	
Railway operating expenses—excluding depreciation and retirements	$182,842,312	$185,739,845		$ 2,897,533
Depreciation and Retirements—				
Road Property	$ 5,879,587	$ 5,109,898	$ 769,689	
Equipment	13,180,908	13,101,789	79,119	
Total railway operating expenses	$201,902,807	$203,951,532		$ 2,048,725
Operating Ratio (For Operating Ratios by general accounts see Page 29)	79.44	81.21		1.77
Net revenue from railway operations	$ 52,258,005	$ 47,184,358	$ 5,073,647	
Railway tax accruals	$ 27,930,021	$ 25,178,072	$ 2,751,949	
Railway operating income	$ 24,327,984	$ 22,006,286	$ 2,321,698	
RENT INCOME				
Rents from equipment	$ 1,503,538	$ 1,576,074		$ 72,536
Joint facility rent income	863,497	867,468		3,971
Total rent income	$ 2,367,035	$ 2,443,542		$ 76,507
RENTS PAYABLE				
Rents for equipment	$ 4,492,410	$ 4,375,408	$ 117,002	
Joint facility rents	3,284,528	3,441,922		$ 157,394
Total rents payable	$ 7,776,938	$ 7,817,330		$ 40,392
Net rents	Dr.$ 5,409,903	Dr.$ 5,373,788		$ 36,115
Net railway operating income	$ 18,918,081	$ 16,632,498	$ 2,285,583	

COMPARATIVE STATEMENT OF INCOME ACCOUNT FOR YEARS ENDED DECEMBER 31—Continued

	1961	1960	Increase	Decrease
OTHER INCOME				
Income from lease of road and equipment	$ 6,842	$ 6,910		$ 68
Miscellaneous rent income	930,050	875,862	$ 54,188	
Income from non-operating property	316,365	334,672		18,307
Separately operated properties—profit	13,528	13,545		17
Dividend income	537,475	753,370		215,895
Interest income	896,412	1,238,197		341,785
Release of premium on funded debt	20	20		
Miscellaneous income	771,974	573,244	198,730	
Total other income	$ 3,472,666	$ 3,795,820		$ 323,154
Total income	$ 22,390,747	$ 20,428,318	$ 1,962,429	
MISCELLANEOUS DEDUCTIONS FROM INCOME				
Miscellaneous rents	$ 32,206	$ 33,210		$ 1,004
Miscellaneous tax accruals	168,675	181,523		12,848
Miscellaneous income charges	118,638	108,072	$ 10,566	
Total miscellaneous deductions	$ 319,519	$ 322,805		$ 3,286
Income available for fixed charges	$ 22,071,228	$ 20,105,513	$ 1,965,715	
FIXED CHARGES				
Rent for leased roads and equipment	$ 67,139	$ 57,293	$ 9,846	
Interest on funded debt	7,521,065	7,484,585	36,480	
Interest on unfunded debt	1,530	1,245	285	
Amortization of discount on funded debt	72,828	69,252	3,576	
Total fixed charges	$ 7,662,562	$ 7,612,375	$ 50,187	
Net income	$ 14,408,666	$ 12,493,138	$ 1,915,528	

INVESTMENTS IN AFFILIATED COMPANIES

DECEMBER 31, 1961

Name of Company	Percent of Owner-ship	Investment	
		Stocks	Bonds, Notes and Advances
Wholly owned companies:			
Burlington Equipment Company	100	$ 5,000	$ 500,000
Burlington Refrigerator Express Company	100	100,000	....
Burlington Truck Lines, Inc.	100	750,000	405,267
St. Louis and Kansas City Land Company	100	100,000	1,615,922
Jointly owned companies:			
Atchison Union Depot and Railroad Company	37.50	27,000	7,972
Belt Railway Company of Chicago, The	7.69	240,000	225,237
*Chicago Union Station Company	25	....	4,851,462
Colorado and Southern Railway Co., The	74.72	22,172,276	855,598
Davenport, Rock Island and North Western Railway Company	50	1,748,182	1,309,545
Denver Market & Produce Terminal, Inc.	20	50,000	246,879
Denver Union Terminal Railway Company, The	16-2/3	5,000	799,286
Illinois Northern Railway	25	250,940	....
#Illinois Terminal Railroad Company	9-1/11	1,818	....
Iowa Transfer Railway Company	20	16,100	4,000
*Kansas City Terminal Railway Company	8-1/3	100,000	743,628
Keokuk Union Depot Company	40	8,024	3,972
Minnesota Transfer Railway Company	11-1/9	91,300	328,140
Missouri and Illinois Bridge and Belt Railroad Company	81.82	312,004	405,000
*Packers Car Line Company	19.18	6,140	116,613
Paducah & Illinois Railroad Company	33-1/3	3,333	1,758,720
Pullman Company	2.42	653,864	....
Railway Express Agency, Inc.	2.7	2,700	780,719
Saint Joseph Union Depot Company	40	13,325	7,944
*Saint Paul Union Depot Company, The	12.50	130,475	206,565
*Terminal Railroad Association of St. Louis	6.25	....	....
*Trailer Train Company	2.70	50,000	47,645
Winona Bridge Railway Company	66-2/3	300	....
		$26,837,781	$15,220,114

*These terminal, depot, and car line companies, which provide facilities for joint use by the owning lines, have outstanding bonds or equipment obligations secured by lien superior to the investments of the proprietary companies, each of which has contingent liability in the event of default in payment of interest, or sinking fund, or failure to meet maturities by payment or refunding. Details are to be found in the annual report of the Company, Form A, to the Interstate Commerce Commission.

#Illinois Terminal Railroad Company, purchased in 1956 by this and ten other companies, has a short-term bank loan in the amount of $8,500,000, guaranteed by the proprietors, as part of the plan of acquisition of the stock and sale of a part of the property, which loan was to be paid or refunded in 1960. The note has been extended to December 15, 1962.

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

OPERATING REVENUES

Year ended December 31	Average operated mileage	Freight Revenue	Passenger Revenue	Mail, express and miscellaneous revenue
1921	9,393.07	$122,716,630	$ 31,396,048	$ 14,599,590
1922	9,393.69	121,388,901	28,380,104	15,147,466
1923	9,401.41	126,433,098	28,569,831	16,267,732
1924	9,407.23	119,773,873	26,522,642	16,378,363
1925	9,398.62	118,670,808	25,116,398	15,367,972
1926	9,403.79	121,410,650	24,288,307	15,618,485
1927	9,390.00	118,497,414	22,058,572	15,764,468
1928	9,375.44	126,952,879	19,715,276	16,223,254
1929	9,373.21	126,777,844	18,817,973	16,814,108
1930	9,332.76	111,157,128	15,360,186	14,862,108
1931	9,312.69	88,237,564	11,205,062	11,776,334
1932	9,261.96	63,182,739	7,311,279	9,049,611
1933	9,237.41	63,319,234	6,722,104	8,455,637
1934	9,143.98	64,815,018	6,749,238	8,723,903
1935	9,035.66	66,817,189	6,978,101	9,129,919
1936	9,004.40	79,716,638	8,217,025	10,148,748
1937	8,975.40	79,966,473	9,717,844	10,466,895
1938	8,964.66	74,134,765	9,141,388	9,793,983
1939	8,973.06	76,853,603	9,167,835	10,110,356
1940	8,973.21	78,198,344	8,964,197	10,468,701
1941	9,036.00	94,874,259	10,697,250	11,949,846
1942	9,077.68	131,770,823	19,100,283	14,418,219
1943	9,029.56	166,123,159	32,923,900	18,905,424
1944	8,989.35	180,453,652	40,141,385	20,042,363
1945	8,965.22	183,286,915	38,193,572	21,062,311
1946	8,865.75	148,897,285	27,896,559	19,131,821
1947	8,864.97	181,409,104	19,029,068	20,740,839
1948	8,813.82	199,341,245	20,198,852	21,823,554
1949	8,766.61	179,802,953	17,818,681	20,374,874
1950	8,842.51	199,932,606	17,679,514	27,635,441
1951	8,824.01	220,253,697	19,192,719	27,147,252
1952	8,823.89	223,230,964	20,173,457	26,943,359
1953	8,866.77	230,610,550	20,349,507	27,453,755
1954	8,860.31	206,301,405	18,917,207	27,134,102
1955	8,823.89	203,700,425	19,249,645	26,276,202
1956	8,804.00	212,288,429	20,226,396	24,517,670
1957	8,776.89	212,715,213	20,922,686	24,670,316
1958	8,729.71	213,055,729	20,288,221	24,683,750
1959	8,683.45	215,330,208	20,746,554	26,996,121
1960	8,659.25	202,493,479	21,430,686	27,211,725
1961	8,626.27	205,020,997	21,211,215	27,928,600

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

REVENUES, EXPENSES, AND TAXES

			Taxes	Average Per Mile of Road Operated		
Year Ended Dec. 31	Total Operating Revenues	Total Operating Expenses	Income Account 532	Operating Revenues	Operating Expenses	Taxes
1921	$168,712,268	$128,216,290	$ 9,718,568	$17,961	$13,650	$1,035
1922	164,916,471	126,777,703	10,890,007	17,556	13,496	1,159
1923	171,270,661	134,290,379	9,268,055	18,218	14,284	986
1924	162,674,878	119,958,734	10,642,576	17,293	12,752	1,131
1925	159,155,178	116,671,868	10,975,481	16,934	12,414	1,168
1926	161,317,442	116,462,808	11,480,061	17,155	12,385	1,221
1927	156,320,454	111,917,503	11,676,578	16,648	11,919	1,244
1928	162,891,409	114,191,159	11,192,210	17,374	12,180	1,194
1929	162,409,925	111,565,542	12,025,394	17,327	11,903	1,283
1930	141,379,422	98,877,813	11,191,877	15,149	10,595	1,199
1931	111,218,960	77,465,969	9,955,502	11,943	8,318	1,069
1932	79,543,629	58,517,604	8,148,156	8,588	6,318	880
1933	78,496,975	54,361,599	6,918,697	8,498	5,885	749
1934	80,288,159	58,007,983	5,783,597	8,780	6,344	633
1935	82,925,209	62,544,384	5,983,920	9,178	6,922	662
1936	98,082,411	71,243,003	8,411,126	10,893	7,912	934
1937	100,151,212	74,278,004	7,731,466	11,158	8,276	861
1938	93,070,136	67,087,220	9,061,509	10,382	7,484	1,011
1939	96,131,794	70,885,896	8,616,802	10,713	7,900	960
1940	97,631,242	71,853,873	8,697,632	10,880	8,008	969
1941	117,521,355	83,047,925	11,900,410	13,006	9,191	1,317
1942	165,289,325	99,415,696	26,192,996	18,208	10,952	2,885
1943	217,952,483	123,559,336	55,573,644	24,138	13,684	6,155
1944	240,637,400	145,854,303	57,190,637	26,769	16,225	6,362
1945	242,542,798	174,150,921	30,248,889	27,054	19,425	3,374
1946	195,925,665	139,250,672	25,693,903	22,099	15,707	2,898
1947	221,179,011	149,996,344	34,407,950	24,950	16,920	3,881
1948	241,363,651	167,888,010	35,912,048	27,385	19,048	4,075
1949	217,996,508	167,265,649	26,192,248	24,867	19,080	2,988
1950	245,247,561	161,964,673	39,773,302	27,735	18,317	4,498
1951	266,593,668	189,234,239	41,233,781	30,212	21,445	4,673
1952	270,347,780	193,435,960	39,690,137	30,638	21,922	4,498
1953	278,413,812	203,124,368	39,557,462	31,400	22,909	4,461
1954	252,352,714	190,333,761	28,989,381	28,481	21,481	3,272
1955	249,226,272	190,704,931	28,850,235	28,244	21,612	3,270
1956	257,032,495	196,359,600	31,392,521	29,195	22,303	3,566
1957	258,308,215	205,579,093	26,291,733	29,430	23,423	2,996
1958	258,027,700	200,263,598	27,403,280	29,557	22,940	3,139
1959	263,072,883	209,875,069	27,339,438	30,296	24,170	3,148
1960	251,135,890	203,951,532	25,178,072	29,002	23,553	2,908
1961	254,160,812	201,902,807	27,930,021	29,464	23,406	3,238

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

SUMMARY OF FINANCIAL RESULTS

Year ended December 31	Total revenues, including income from other sources	Expenses, taxes, rentals, and other charges	Interest on Funded Debt	Net Income	Earnings per Share of Stock
1921	$171,852,639	$139,435,531	$6,807,134	$25,609,974	$16.43
1922	168,386,706	140,005,948	8,119,271	20,261,487	11.86
1923	173,735,425	146,188,407	8,256,488	19,290,530	11.29
1924	164,788,967	134,247,699	8,641,439	21,899,829	12.82
1925	161,234,121	131,356,234	8,693,294	21,184,593	12.40
1926	164,314,046	131,699,096	8,626,981	23,987,969	14.04
1927	159,202,361	128,632,779	9,126,458	21,443,124	12.55
1928	165,929,135	130,473,328	9,177,555	26,278,252	15.38
1929	166,122,417	127,461,244	9,084,635	29,576,538	17.31
1930	144,904,521	113,840,027	9,084,635	21,979,859	12.87
1931	113,518,034	91,113,664	9,084,635	13,319,735	7.80
1932	80,906,548	70,319,097	9,084,635	1,502,816	.88
1933	80,058,804	65,376,145	9,084,635	5,598,024	3.28
1934	81,542,327	68,002,932	9,084,635	4,454,760	2.61
1935	84,006,102	73,078,623	9,084,635	1,842,844	1.08
1936	99,376,761	85,081,198	9,138,399	5,157,164	3.02
1937	101,506,074	87,279,925	9,318,895	4,907,254	2.87
1938	94,165,952	81,111,532	9,412,657	3,641,763	2.13
1939	97,266,759	84,228,649	9,376,771	3,661,339	2.14
1940	98,701,774	84,895,212	9,413,698	4,392,864	2.57
1941	118,744,477	98,760,692	9,564,643	10,419,142	6.10
1942	166,665,657	128,483,699	9,535,038	28,646,920	16.77
1943	219,490,878	182,551,064	8,708,550	28,231,264	16.53
1944	242,151,510	209,035,730	8,468,658	24,647,122	14.43
1945	244,142,926	209,309,218	7,428,309	27,405,399	16.04
1946	198,259,728	169,368,261	5,788,692	23,102,775	13.52
1947	223,062,115	189,666,103	5,654,141	27,741,871	16.24
1948	242,652,523	208,881,475	5,689,348	28,081,700	16.44
1949	219,734,305	198,626,445	5,688,368	15,419,492	9.03
1950	247,617,300	207,712,870	6,142,775	33,761,655	19.76
1951	268,204,066	237,039,202	5,915,576	25,249,288	14.78
1952	272,635,351	238,955,578	5,679,181	28,000,592	16.39
1953	280,892,910	249,044,595	6,186,809	25,661,506	15.02
1954	254,720,412	225,165,297	6,543,395	23,011,720	13.47
1955	251,768,664	223,086,211	6,524,607	22,157,846	12.97
1956	260,096,276	231,887,566	6,643,492	21,565,218	12.62
1957	261,679,935	237,695,505	6,801,818	17,182,612	10.06
1958	261,564,202	234,825,211	7,247,259	19,491,732	11.41
1959	269,062,359	244,137,433	7,228,783	17,696,143	10.36
1960	254,931,710	234,953,987	7,484,585	12,493,138	7.31
1961	257,633,478	235,703,747	7,521,065	14,408,666	8.43

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

MAINTENANCE AND TRANSPORTATION EXPENSES

Year ended Dec. 31	Avge. oper. mileage	Maintenance of Way and Structures	Maintenance of Equipment	Transportation	Average per Mile of Road Operated		
					M. of W. & S.	M. of E.	Transp.
1921	9,393.07	$22,917,767	$34,290,506	$63,564,017	$2,440	$3,651	$6,767
1922	9,393.69	20,769,379	35,735,414	62,875,593	2,211	3,804	6,693
1923	9,401.41	21,984,557	40,654,336	63,395,808	2,338	4,324	6,743
1924	9,407.23	19,413,917	34,786,170	57,810,258	2,064	3,698	6,145
1925	9,398.62	19,737,011	33,669,420	55,021,563	2,100	3,582	5,854
1926	9,403.79	23,965,178	30,131,658	54,315,494	2,548	3,204	5,776
1927	9,390.00	23,668,878	26,486,675	53,503,272	2,521	2,821	5,698
1928	9,375.44	25,515,422	27,197,586	52,922,445	2,722	2,901	5,645
1929	9,373.21	24,414,605	26,080,966	52,083,144	2,605	2,783	5,557
1930	9,332.76	20,311,640	22,553,488	46,922,911	2,176	2,417	5,028
1931	9,312.69	13,721,164	17,785,942	38,030,549	1,473	1,910	4,084
1932	9,261.96	9,576,465	13,341,550	28,952,905	1,034	1,440	3,126
1933	9,237.41	8,561,684	12,140,500	27,374,245	927	1,314	2,963
1934	9,143.98	9,860,327	12,431,389	28,564,565	1,078	1,360	3,124
1935	9,035.66	10,824,581	14,950,520	30,844,332	1,198	1,655	3,414
1936	9,004.40	12,797,545	16,820,495	34,549,546	1,421	1,868	3,837
1937	8,975.40	14,033,990	17,275,279	36,183,417	1,564	1,925	4,031
1938	8,964.66	11,654,202	15,409,733	33,620,007	1,300	1,719	3,750
1939	8,973.06	12,844,765	17,381,993	34,256,996	1,431	1,937	3,818
1940	8,973.21	13,353,279	16,783,688	35,277,423	1,488	1,870	3,931
1941	9,036.00	16,959,394	19,816,531	39,526,885	1,877	2,193	4,374
1942	9,077.68	21,025,235	24,106,233	46,267,051	2,316	2,656	5,097
1943	9,029.56	29,835,736	28,195,666	55,805,743	3,304	3,123	6,180
1944	8,989.35	40,175,260	33,790,768	61,653,940	4,469	3,759	6,859
1945	8,965.22	47,843,082	51,952,634	63,650,499	5,337	5,795	7,100
1946	8,865.75	31,412,419	27,660,941	68,613,877	3,543	3,120	7,739
1947	8,864.97	32,484,480	29,682,429	75,766,163	3,664	3,348	8,547
1948	8,813.82	37,260,444	34,365,642	83,366,308	4,228	3,899	9,459
1949	8,766.61	36,261,258	38,419,338	78,842,227	4,136	4,382	8,993
1950	8,842.51	33,786,916	34,037,570	80,955,660	3,821	3,849	9,155
1951	8,824.01	41,782,837	39,300,552	93,513,741	4,735	4,454	10,597
1952	8,823.89	42,108,312	40,839,794	95,078,458	4,772	4,628	10,775
1953	8,866.77	49,071,802	40,018,049	97,998,903	5,534	4,513	11,052
1954	8,860.31	35,419,111	43,180,519	95,609,781	3,998	4,873	10,791
1955	8,823.89	37,759,174	39,149,896	97,279,128	4,279	4,437	11,025
1956	8,804.00	35,749,003	42,790,642	99,819,421	4,061	4,860	11,338
1957	8,776.89	39,830,000	44,775,473	102,194,491	4,538	5,102	11,644
1958	8,729.71	33,528,112	45,882,097	101,590,005	3,841	5,256	11,637
1959	8,683.45	36,161,543	48,757,340	104,916,115	4,164	5,615	12,082
1960	8,659.25	34,084,898	46,414,611	103,168,403	3,936	5,360	11,914
1961	8,626.27	35,201,985	44,916,428	101,430,555	4,081	5,207	11,758

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

OPERATING EXPENSE RATIOS

Year ended December 31	Maintenance of Way and Structures	Maintenance of Equipment	Transportation	Total Operating Expenses
1921	13.58	30.32	37.68	76.00
1922	12.59	21.67	38.13	76.87
1923	12.84	23.74	37.01	78.41
1924	11.93	21.38	35.54	73.74
1925	12.40	21.16	34.57	73.31
1926	14.85	18.68	33.67	72.19
1927	15.14	16.94	34.23	71.60
1928	15.66	16.70	32.48	70.10
1929	15.03	16.06	32.07	68.69
1930	14.37	15.95	33.19	69.94
1931	12.34	15.99	34.19	69.65
1932	12.04	16.77	36.40	73.57
1933	10.91	15.46	34.87	69.25
1934	12.28	15.48	35.58	72.25
1935	13.05	18.03	37.20	75.42
1936	13.05	17.15	35.22	72.64
1937	14.01	17.25	36.13	74.17
1938	12.52	16.56	36.12	72.08
1939	13.36	18.08	35.64	73.74
1940	13.68	17.19	36.13	73.60
1941	14.44	16.86	33.64	70.67
1942	12.72	14.59	27.99	60.15
1943	13.69	12.94	25.60	56.69
1944	16.70	14.04	25.62	60.61
1945	17.88	14.86	26.24	71.80
1946	16.03	14.10	35.02	71.07
1947	14.69	13.42	34.26	67.82
1948	15.44	14.24	34.54	69.56
1949	16.63	17.62	36.17	76.73
1950	13.78	13.88	33.01	66.04
1951	15.67	14.74	35.08	70.98
1952	15.57	15.11	35.17	71.55
1953	17.63	14.37	35.20	72.96
1954	14.03	17.11	37.89	75.42
1955	15.15	15.71	39.03	76.52
1956	13.91	16.64	38.84	76.39
1957	15.42	17.34	39.56	79.59
1958	12.99	17.78	39.37	77.61
1959	13.75	18.53	39.88	79.78
1960	13.57	18.48	41.08	81.21
1961	13.85	17.67	39.92	79.44

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

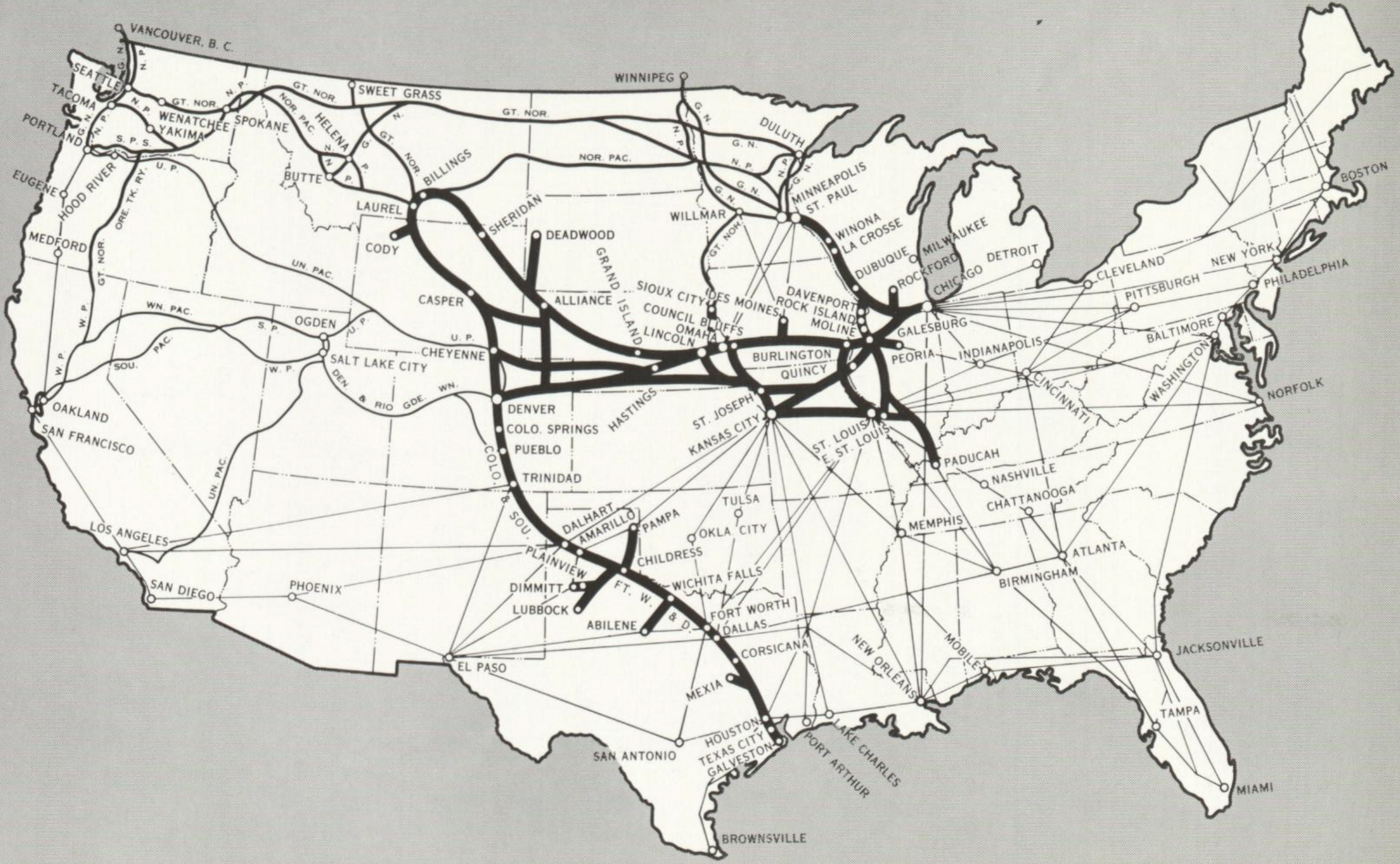
FREIGHT AND PASSENGER TRAFFIC

Year ended December 31	Carloads Revenue Freight (Excl. L.C.L.)	Revenue Ton Miles (000)	Revenue Per Ton Mile (Cents)	Revenue Passenger Miles (000)	Revenue Per Pass. Mile (Cents)
1921	1,138,140	10,554,788	1.163	999,701	3.141
1922	1,267,228	11,754,596	1.033	941,748	3.014
1923	1,422,035	12,690,384	.996	967,097	2.954
1924	1,392,061	12,287,748	.975	909,302	2.917
1925	1,394,884	12,298,288	.965	893,670	2.810
1926	1,427,076	12,651,222	.960	871,773	2.786
1927	1,380,681	11,918,019	.992	811,600	2.718
1928	1,477,074	12,931,723	.982	730,970	2.697
1929	1,468,784	12,873,521	.985	719,017	2.617
1930	1,285,504	11,356,359	.979	606,612	2.532
1931	1,015,772	8,888,694	.993	472,742	2.370
1932	761,188	6,297,639	1.003	347,834	2.102
1933	790,498	6,598,639	.960	387,065	1.737
1934	858,977	7,137,168	.908	425,949	1.585
1935	844,557	7,522,420	.888	424,789	1.643
1936	1,015,083	9,062,367	.880	499,516	1.645
1937	1,034,615	9,423,153	.849	587,409	1.654
1938	894,051	7,876,092	.941	530,835	1.722
1939	939,635	8,417,254	.913	544,510	1.684
1940	996,830	8,972,423	.872	539,670	1.661
1941	1,181,449	11,339,218	.837	640,033	1.671
1942	1,385,416	15,290,591	.862	1,080,880	1.767
1943	1,509,738	18,960,387	.876	1,822,197	1.807
1944	1,569,328	19,751,865	.914	2,220,707	1.808
1945	1,552,950	18,820,920	.974	2,116,701	1.804
1946	1,451,973	16,657,849	.894	1,529,489	1.824
1947	1,552,552	19,274,376	.941	955,746	1.991
1948	1,488,445	18,357,884	1.086	870,790	2.320
1949	1,314,873	15,250,054	1.179	757,891	2.351
1950	1,397,186	16,755,823	1.193	748,699	2.361
1951	1,491,768	18,625,332	1.183	826,128	2.323
1952	1,422,481	17,096,963	1.306	883,205	2.284
1953	1,452,471	16,825,004	1.371	902,036	2.256
1954	1,390,883	15,709,662	1.313	837,706	2.258
1955	1,437,596	16,096,078	1.266	861,327	2.235
1956	1,460,407	16,670,939	1.273	886,357	2.282
1957	1,359,116	15,600,062	1.364	889,103	2.353
1958	1,333,315	15,258,487	1.396	862,595	2.352
1959	1,363,563	15,693,022	1.372	872,351	2.378
1960	1,313,383	15,256,220	1.327	874,279	2.451
1961	1,312,590	15,729,304	1.303	855,285	2.480

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

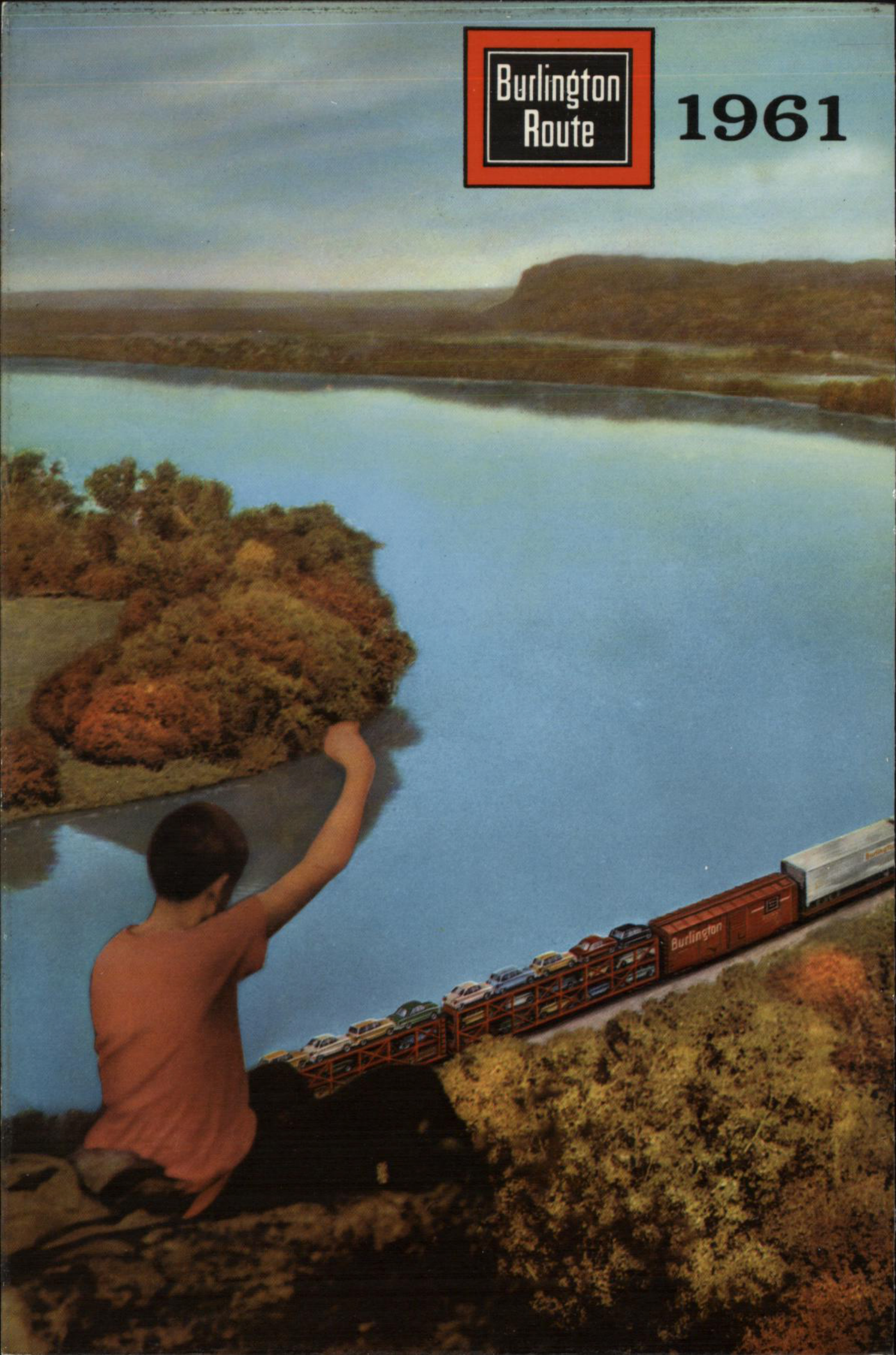
PER CENT OF TOTAL FREIGHT REVENUE BY MAJOR COMMODITY GROUPS

Year Ended December 31	Products of Agriculture %	Animals and Products %	Products of Mines %	Products of Forests %	Manufactures and Misc. %	For-warder Traffic %	Less Carload Freight %
1921	23.32	11.84	23.44	4.57	22.44	.....	14.39
1922	20.38	12.11	20.64	5.29	27.65	.....	13.93
1923	17.08	12.57	23.33	5.86	28.37	.....	12.79
1924	20.12	13.40	22.05	5.29	26.28	.....	12.86
1925	16.75	12.64	23.73	5.52	28.02	.....	13.34
1926	16.88	12.70	23.32	5.55	28.81	.....	12.74
1927	19.18	11.86	19.96	5.65	30.60	.....	12.75
1928	20.34	11.36	20.81	5.17	30.91	.....	11.41
1929	19.10	10.75	22.54	4.93	31.11	.....	11.57
1930	20.90	11.10	21.97	3.93	30.59	.....	11.51
1931	21.89	13.43	19.62	3.20	30.48	.....	11.38
1932	18.23	15.68	20.89	2.84	31.44	.....	10.92
1933	21.14	14.82	18.08	3.99	32.48	.....	9.49
1934	18.07	16.86	18.18	4.33	33.72	.....	8.84
1935	16.39	11.23	19.99	5.45	38.20	.....	8.74
1936	17.01	10.85	20.55	5.21	38.33	.....	8.05
1937	17.25	9.03	20.76	5.50	39.57	.....	7.89
1938	22.13	9.89	17.59	5.10	36.78	.....	8.51
1939	18.56	10.00	19.09	5.54	36.82	1.91	8.08
1940	17.86	9.55	20.00	5.79	37.53	2.01	7.26
1941	17.34	7.68	18.90	6.50	40.66	1.77	7.15
1942	16.10	7.10	19.73	6.25	43.90	1.34	5.58
1943	20.16	6.60	18.18	4.12	44.97	1.32	4.65
1944	16.13	6.38	15.95	3.56	52.43	.88	4.67
1945	19.23	5.91	14.08	3.11	52.03	.70	4.94
1946	22.93	7.91	17.06	4.58	39.03	.73	7.76
1947	24.06	6.19	20.39	4.72	35.65	1.78	7.21
1948	20.56	6.38	22.09	5.22	37.48	1.66	6.60
1949	23.71	7.58	17.24	6.15	37.91	1.78	5.64
1950	20.98	6.60	18.44	6.36	40.79	2.35	4.48
1951	22.36	6.32	18.03	5.73	40.41	3.28	3.87
1952	20.97	7.13	17.00	5.79	41.17	4.07	3.87
1953	18.82	7.47	15.53	5.45	44.97	4.29	3.47
1954	20.65	8.18	15.32	6.04	41.86	4.50	3.45
1955	18.95	8.33	15.91	6.65	41.38	5.16	3.62
1956	18.90	8.72	16.70	5.85	41.16	5.26	3.41
1957	21.77	7.83	15.51	5.70	40.55	5.23	3.41
1958	25.55	7.38	14.58	6.33	38.10	4.93	3.13
1959	23.21	7.69	15.05	6.77	39.74	4.72	2.82
1960	22.10	7.90	15.04	6.64	41.19	4.53	2.60
1961	23.33	7.35	14.09	7.00	41.41	4.43	2.39


VANCOUVER, B. C.
SEATTLE
TACOMA
PORTLAND
EUGENE
HOOD RIVER
MEDFORD
OAKLAND
SAN FRANCISCO
LOS ANGELES
SAN DIEGO
WENATCHEE
YAKIMA
SPOKANE
HELENA
BUTTE
SWEET GRASS
BILLINGS
LAUREL
CODY
SHERIDAN
DEADWOOD
CASPER
ALLIANCE
GRAND ISLAND
OGDEN
SALT LAKE CITY
CHEYENNE
DENVER
COLO. SPRINGS
PUEBLO
TRINIDAD
PHOENIX
EL PASO
DALHART
AMARILLO
PAMPA
PLAINVIEW
DIMMITT
LUBBOCK
CHILDRESS
ABILENE
WICHITA FALLS
FORT WORTH
DALLAS
CORSICANA
MEXIA
HOUSTON
TEXAS CITY
GALVESTON
SAN ANTONIO
BROWNSVILLE
PORT ARTHUR
LAKE CHARLES
TULSA
OKLA. CITY
HASTINGS
LINCOLN
OMAHA
COUNCIL BLUFFS
SIOUX CITY
DES MOINES
ST. JOSEPH
KANSAS CITY
BURLINGTON
QUINCY
WINNIPEG
DULUTH
MINNEAPOLIS
ST. PAUL
WILLMAR
WINONA
LA CROSSE
DUBUQUE
ROCKFORD
MILWAUKEE
CHICAGO
DAVENPORT
ROCK ISLAND
MOLINE
GALESBURG
PEORIA
ST. LOUIS
E. ST. LOUIS
PADUCAH
MEMPHIS
NEW ORLEANS
MOBILE
NASHVILLE
CHATTANOOGA
ATLANTA
BIRMINGHAM
JACKSONVILLE
TAMPA
MIAMI
DETROIT
INDIANAPOLIS
CINCINNATI
CLEVELAND
PITTSBURGH
BALTIMORE
WASHINGTON
NORFOLK
NEW YORK
PHILADELPHIA
BOSTON
G. N.
N. P.
GT. NOR.
NOR. PAC.
S. P. S.
ORE. TK. RY.
U. P.
UN. PAC.
WN. PAC.
W. P.
S. P.
SOU. PAC.
DEN & RIO GDE. WN.
COLO. & SOU.
FT. W. & D.
GT. NOR.

Burlington
Route

1961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